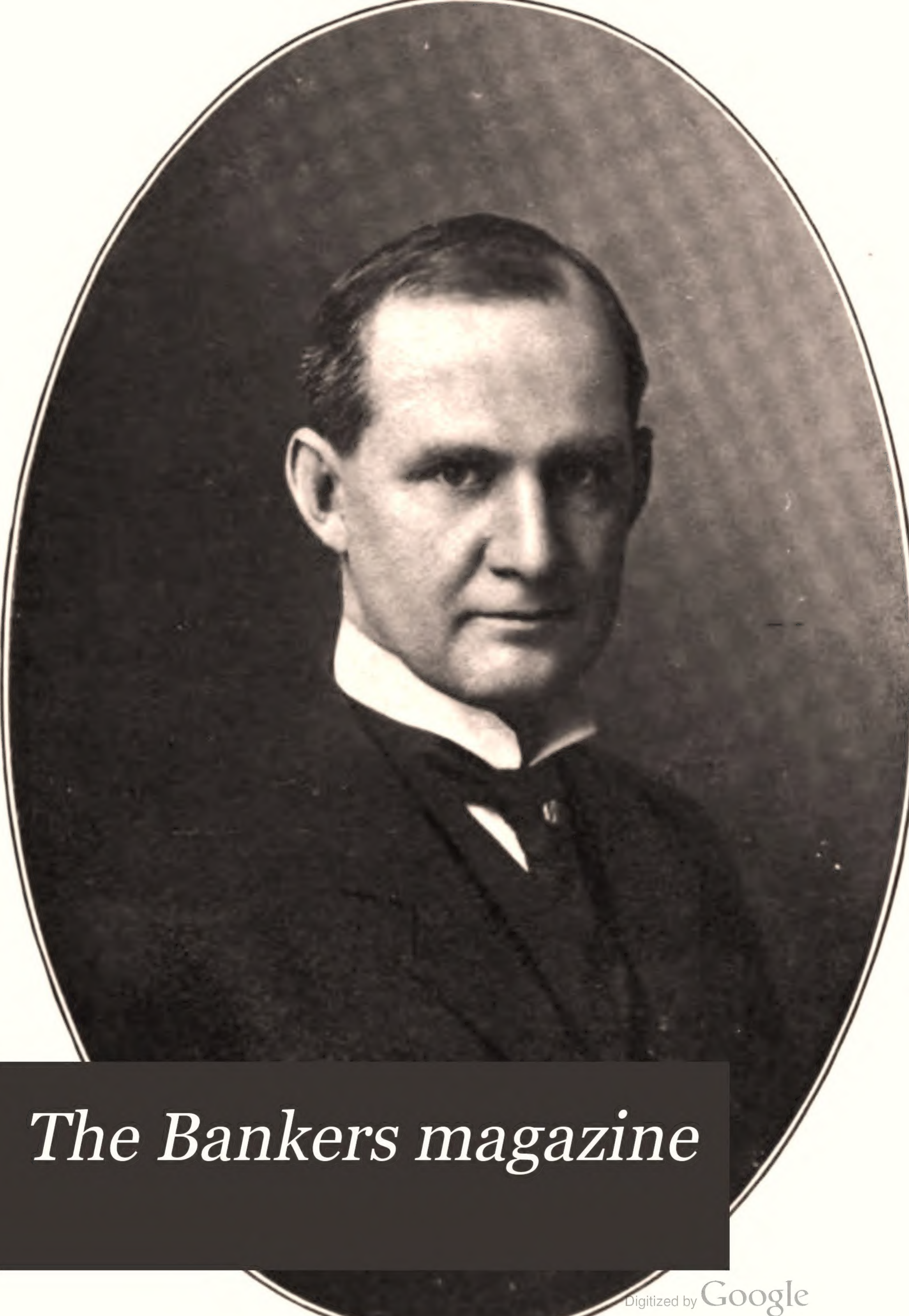

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EDITORIAL COMMENT.

THE REAL ISSUE IN THE FIGHT FOR CURRENCY REFORM.

CURRENCY PLANK IN THE REPUBLICAN PLATFORM.

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THE PANIC OF 1907 AND ITS LESSONS FOR TRUST COMPANIES.—Views of Leading Trust Company Officials.—Comment by Clay Herrick.

BOND AMORTIZATION IN THEORY AND PRACTICE.—By W. H. Kniffin, Jr.

ASSET CURRENCY IN CANADA.—By A. C. Steven.

THE INTELLECTUAL SIDE OF ADVERTISING.—By F. R. Morison.

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FORECAST OF THE A. I. B. CONVENTION.

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R. T. FORBES

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R. T. FORBES

The Recently Elected President of the Drovers Deposit National Bank of Chicago

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

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THE REAL ISSUE IN THE FIGHT FOR CURRENCY REFORM.

MUCH confusion exists as to the real issue between the advocates of credit currency and those who oppose that reform. Many seem to think that the differences arise over using bonds or commercial paper as security for bank notes. Others believe it to be a contest between those who hold that notes may be safely issued without specially pledging or "segregating" the banks' assets and those who contend that the assets should be lodged with the Treasury or some other central authority.

While these details are of great importance, they do not represent the fundamental point at issue, which is simply this: Shall the issue of currency and the handling of the public revenues and expenditures be controlled by the people and in their interests, or for the profit of a few pet banks. This is the point to be fought out, and it has already passed the academic stage of discussion. Nobody of any authority in banking and finance defends a bond-secured currency, and nobody whose financial opinions are worth anything condemns a credit currency.

The currency reform fight is, therefore, no longer a war of opposing schools or monetary principles. On one side are those who want to manipulate the issue of currency in their own interests and to use the public funds for speculation and promotion schemes. On the other side are those who are trying to have a currency system adopted that will be of real benefit to every section of the country and to all classes, and who believe that the surplus public funds ought to be, as nearly as possible, kept in the channels of legitimate trade.

Those who, like a celebrated ex-political ruler, "work for their own pockets every time," naturally favor a bond-secured bank currency and also that a deposit of bonds shall be required to secure public funds. In both ways this benefits "the interests." It increases the salability of their bonds, and since the banks which they control are the principal holders of the bonds accepted as security for public deposits, it also narrows the field of competition in bidding for such deposits.

There is no division of opinion among "the interests" as to what they want. They make no concealment of their intentions to profit at the public expense. They demand, and get, a market for their securities by making them available as a basis for bank currency. They demand, and get, a large share of the Treasury surplus to swell their deposits. And the policy they have so successfully pursued heretofore will be strengthened and permanently fastened upon the country unless the bankers and the people generally wake up to the dangers of the situation.

MANIFESTLY, the aim of the Republican platform adopted at Chicago was to commit the party to an unsound policy with respect to currency legislation. We give some facts in respect to the platform in another part of this issue which strongly support this view.

While the course of the President and Mr. TAFT in supporting the Aldrich-Vreeland law is open to criticism, evidence is not lacking that they both regarded this as a temporary measure which they would be glad to see replaced by a wiser law. But, apparently, the same interests that were behind this law got in their work on the Chicago platform and doctored it to suit their purposes. They intend, of course, to see that the law is kept so as to bring the grist to their mills. And they will succeed unless the friends of real currency reform are more united and more energetic than they have been heretofore. It is probable that if the Fowlerites and the advocates of the American Bankers' Association plan had united early in the last session of Congress, and had kept up a vigorous fight for a simple and sensible measure, they could have succeeded in getting it passed.

While the enemies of currency reform are solidly held together by "the cohesive power of public plunder," it ill becomes the friends of that reform to quibble over trifles.

IN nominating Mr. TAFT for President the Republicans have done what any business concern would have done in selecting a new man to manage affairs—they have chosen the one who is best equipped by temperament, ability and experience to do the required work. It is doubtful if any candidate for the Presidency has been better fitted to discharge the duties of that high office. Mr. TAFT's training and experience as a lawyer and his service on the bench gave him that habit of mind which is essential in avoiding rash action, while the administrative ability which he has displayed in dealing with difficult problems in the Philippines, in Cuba, and in Panama, show him to be possessed of exceptional tact and capacity. The personal qualities of the Republican nominee are also such as will add greatly to his chances of success at the polls. He is not only large-minded, but large-hearted, and should he be elected his policies will undoubtedly be shaped according to conscientious convictions.

POLITICAL forecasts made in June, before one of the leading candidates has even been named, are apt to be in need of careful revision later on when the candidates are all known and the issues clearly defined.

Campaigns for the Presidency are subject to all the vicissitudes which play such an important part in regulating mundane affairs in general, and are also liable to be powerfully affected by influences peculiar to themselves.

If the Democrats could put up a man who would be a match for Mr. TAFT in experience and ability, they would, barring unforseeable accidents, have a good chance of winning. There has only recently been a panic, followed by considerable depression of trade and industry with consequent loss of employment to workingmen, of income to capitalists, and of business to merchants. Whether justly or not, the party in power is liable to be held responsible for these misfortunes. This will tend to work against Republican success, but to what extent no one can say.

If the Democrats should nominate a man of commanding ability, of the "safe and sane type," he might draw largely from those who would otherwise vote the Republican ticket. But at the time this is written Mr. BRYAN appears to be in the lead for the Democratic nomination. Having already suffered two defeats, he will enter the race at a disadvantage.

But it is not to be plain sailing for the Republicans, by any means. Although Mr. TAFT's ability and character are of the highest, there are many signs of dissatisfaction with some very powerful elements in the Republican party. But a short time ago, in conversation with the editor of this MAGAZINE, one of the oldest and most conservative bankers of this country, and a life-long Republican, said: "The Republican party has become a stench in my nostrils, and I would get out of it at once, if I knew where else to go." This feeling is growing among those who know something of the inner history of the once "Grand Old Party." The concessions made to certain interests in passing the Aldrich-Vreeland currency law, the high tariff, the way a few banks have been allowed to profit by the use of public funds, the double-faced "injunction plank" in the platform—these and other sins of omission and commission, will be a heavy load for the Republican elephant to carry in the coming canvass.

If the Democrats could present a strong constructive programme and a candidate who would command confidence, they might, with the other circumstances in their favor, manage to overcome Mr. TAFT's personal popularity and elect their man. There is nothing in the recent history of the party, however, to justify the expectation that they will do otherwise than repeat the blunders of previous campaigns.

PECULIAR arguments are sometimes advanced in favor of the central bank proposition. In a recent pamphlet by Mr. PAUL M. WARBURG, entitled "A Modified Central Bank of Issue," we find the following:

"A bank rediscounting with a central bank receives a loan for a given period, and upon this advance it may safely base its own commitments for the accommodation of its customers. The issuing of notes against its assets by a national bank means the creation of additional depositors who may withdraw their money any day like any other depositor. It is unsafe for a bank to accommodate its customers on resources which may be withdrawn at any time. This is a most important and fundamental point."

Issuing bank notes does not, in all cases, mean "the creation of additional depositors," as a single illustration will show. Suppose a man has discounted his note at a bank, and has had the amount placed to his credit, taking as evidence thereof the ordinary bank-book. A week later he comes to the bank and presents a check against his deposit. In payment of the check, the bank hands out its notes. No additional depositor has been created, and for the time being at least the amount of the bank's deposit has been decreased to the extent of the notes issued.

But if it be admitted, broadly speaking, that the issue of notes tends to add to the number and amount of deposits, which is perhaps what Mr. WARBURG means, is that fact objectionable? Mr. WARBURG says that these additional depositors may withdraw their money any day like any other depositor. Suppose they may? Should that fact necessarily cause the bank any concern? If the bank's capital equipment is large enough to enable it to provide sufficient means, either in the shape of

gold or quickly-realizable assets, to pay all claims on demand, it need not worry any over having additional deposits that may be withdrawn at any time. And if its cash means are insufficient it would certainly be in a worse situation with respect to its checking accounts than it would as to its note issues. For the notes would not be presented for redemption with anything like the same rapidity as the checks.

Furthermore, if a bank issues its notes, the only cost would be that arising out of the provision of an adequate gold reserve. But if it rediscounted with a central bank it would have to pay interest on the amount borrowed; and, in the opinion of some banking authorities, it ought also to hold a reserve against the rediscounts for whose payment the borrowing bank has become liable.

THE term "pet banks," which originated in JACKSON's time, promises to be revived under the operations of the Aldrich-Vreeland banking law. In the Treasury circular describing the operations of that part of the law, referring to public deposits it is stated that "Interest will be paid on the entire amount held by temporary or special depositaries, and on the amount held by regular depositaries in excess of the amount needed for the transaction of public business."

This gives the Secretary of the Treasury great latitude to discriminate in favor of certain banks by designating them as "regular depositaries," and by deciding what amount is "needed for the transaction of public business;" that is, the Secretary of the Treasury may require certain banks to pay interest on all their public deposits, and he may decide as to what part of such deposits in other banks are exempt from the payment of interest.

As we have already pointed out (May BANKERS MAGAZINE, pp. 692, 693), the Aldrich bill entrusts the Secretary of the Treasury with tremendous power. For instance, he is made the judge as to whether local business conditions warrant the issue of more currency, though he can not possibly know anything about the business of the various localities. He is, as already shown, empowered with authority to favor certain banks.

The Comptroller of the Currency has been reduced, so far as the Aldrich-Vreeland bill could do so, to a subordinate position, and the powers of the Secretary of the Treasury correspondingly enlarged. We see no evidence that this was done in the public interest.

AN interesting subject of investigation during the vacation period will be found in studying the qualifications that led to the appointment of the several members of the Monetary Commission provided for in the tail to the Aldrich-Vreeland bill kite.

At the beginning of the list stands the name of NELSON W. ALDRICH, author of a bill almost universally condemned by expert financial opinion. Mr. ALLISON, the veteran Senator from Iowa, has some claim to distinction as one of the authors of the Bland-Allison Act, which fastened upon the country's currency several hundred million dollars of cheap silver, made a full legal tender. Messrs. HALE, DANIEL, MONEY, BURROWS, and KNOX have not distinguished themselves, so far as we know, for financial ability. Mr. TELLER will be remembered as one of the strongest champions of the free and unlimited coinage of silver at the 16 to 1 ratio. He bade his party a tearful farewell at St. Louis in 1896 because it would not come out in favor of that great reform.

Mr. Vreeland, who heads the list of members representing the House, leaped into fame last spring by having his name coupled with the Vreeland bill, which in the form originally passed by the House was far less objectionable than the bill that finally became a law. The other House members, with two exceptions, have a more or less colorless record on financial questions. They were appointed, perhaps, with the view that numbers would add to the respectability of the commission.

The exceptions mentioned are Mr. Burton of Ohio and Mr. Weeks of Massachusetts. Both of these gentlemen have given serious study to the bank-note currency question, and their influence so far as it can be made effectual, will undoubtedly be in favor of improvement in the existing system. They are in such a hopeless minority, however, that they can hardly expect to achieve any substantial advantage over the unprogressive element that dominates the commission.

MEASURES of more than ordinary importance to bankers are to be considered at the National Conference of the Commissioners on Uniform State Laws, to be held at Seattle, Washington, August 21, 22 and 24. The measures referred to are the Uniform Law of Bills of Lading and the Uniform Law of Certificates of Stock. Tentative drafts of these acts have already been prepared and circulated for suggestions and criticism. Further hearings are to be had before the appropriate committee on August 20 at Seattle.

This work marks a notable advance in the reformation of our commercial laws. and will greatly tend toward safety and simplicity in the transactions reached by the proposed laws.

Before these changes in the laws mentioned can take effect, they must be passed by the legislatures of the various states. After running the gauntlet of forty-six legislative bodies, the uniformity of the acts may be considerably impaired, as was the case with the Uniform Negotiable Instruments Act. And when the laws come to pass the scrutiny of the almost innumerable state and Federal courts, the different constructions put upon them will so change their original shape that the authors of the laws would hardly recognize them.

Yet, with all these unavoidable drawbacks, for which the Commissioners on Uniform State Laws are in no wise responsible, the enactment of these new measures will secure substantial uniformity in the laws governing bills of lading and transfers of stock certificates.

Since the Constitution of the United States gives Congress power to regulate commerce between the states, it is difficult for a layman to understand why this power should not extend to the instruments necessary to carry on such commerce. Why should Congress have authority to regulate bank notes and not bank checks?

As the relations existing between the people of the several states become closer, the necessity for bringing the state laws into something resembling homogeneousness becomes more and more urgent. The diversity of these laws, which has so long prevailed, is as great a clog on our commercial progress as is the conglomerate monetary system of China upon the prosperity of that country. Did we not cling so fondly to ancient superstitions, the work now being done by the Commissioners on Uniform State Laws could be accomplished by Congress, for the whole country at once, and with a great saving of time and labor.

IT is reported that Professor A. PIATT ANDREW, professor of economics in Harvard University, has been appointed as an expert to serve on the Monetary Commission. As shown by his article in the April issue of the MAGAZINE, Professor ANDREW does not approve of the Treasury policy in feeding the public funds to the banks. He takes the sound position in this article that the resort to extraordinary means by the Secretary of the Treasury to "aid the money market" should be stopped, and that automatic and involuntary relations should be established between the banks and the Treasury.

Professor ANDREW shows, in the article referred to, just how the present Treasury policy has worked, and how one bank in particular has profited by it. Perhaps it is too much to hope that his sensible recommendations will receive serious consideration by the Monetary Commission.

THAT was a strange case where the promotion of a teller in a New York bank caused the discovery of a shortage of several thousand dollars in his accounts and led to the suicide of the defaulting employee. After twenty years' service he was in receipt of a salary of but $1,500 a year, and having a wife and family, he found this sum inadequate for their proper support, and made up the deficiency by taking about $9,000 from the bank in the space of five years. For some time he had occupied the post of receiving teller, and by manipulation of the accounts was able to conceal the shortage. But on being promoted to the post of paying teller, the deception could no longer be maintained, and discovery and suicide followed.

Of course, the insufficiency of the salary is blamed for the tragedy. On the other hand, the "Springfield Republican," in commenting on the event says:

"It must be obvious that the bank has an impossible task on its hands when it undertakes to lift its employees above the temptation to steal by lifting their salaries; for the larger salary operates to broaden the circle of living and so to widen the area of exposure to temptation. Men cannot be hired to be honest; and the man who is honest only because paid for being so is not an honest man and is not to be trusted even within the limits of the honesty-for-money bargain."

It may be in this particular instance that the employee did not present his case in the proper light to the bank. A great and powerful institution could hardly have failed to do justice to an employee who had been in its service for so long and who had, with the exception of a comparatively short period, proved faithful to the bank's interests. That appreciation of his services was not lacking was shown by the act of the bank in making the promotion. The same courage that was required to take the funds of the bank and cover up the shortage, if it had been applied in the right direction, might have secured the payment of an adequate salary and prevented the unhappy catastrophe.

It is quite easy to say that stealing is not the proper way to remedy a deficiency of income, and that if one kind of employment does not afford a living, a change should be made. But there are often practical difficulties in the way of making a change in one's manner of making a living. A man who has spent twenty years in a bank may find it very hard to get into other suitable employment that will yield a better income.

Where a bank is making good profits it ought to see that its employees are

properly paid. Where the profits will not warrant the payment of a fair salary an employee must either change his employment or reduce his scale of living, however hard either of these expedients may seem. No one is justified in living on a scale that compels a resort to criminal expedients to maintain it.

While, under any conceivable circumstances, banks have a right to expect absolute honesty on the part of employees, they are not absolved from the obligation of dealing justly with those who constitute the banks' working machinery.

Bank officers carefully scrutinize the affairs of their borrowers, but are sometimes indifferent toward their employees. This is not good business policy. The wise bank officer will watch his employees as carefully as he watches his discounts.

QUITE generally it is assumed that Mr. TAFT's election to the Presidency will mean a period of tranquillity compared to the strenuous activities of President ROOSEVELT.

Even the warm admirers of Mr. ROOSEVELT's policies now realize that he went about his work a little more roughly and more vociferously than necessary. The surgeon who comes to amputate a limb uses unnecessary harshness in kicking the patient and calling him a liar.

BENJAMIN HARRISON once, in praising Mr. ROOSEVELT, said that the only fault he could find with him was that he wanted to reform all the existing evils in the universe between sunrise and sunset. That is not a bad fault, to be sure. But when this disposition was applied to business affairs whose delicate machinery had become accustomed to methods long in use, the shock caused was so great that it came very near dislocating the entire business mechanism of the country.

Some of the devices of modern business, though distasteful to the moralist, have been adopted out of sheer necessity. Great transactions, inseparable from the growth in wealth and population, call for a corresponding augmentation of capital in large masses, which can only be secured by effecting combinations among a number of smaller concerns. The accumulated wisdom of centuries of experience has been drawn on to furnish the means of adapting our business machinery to modern requirements. Abuses have developed, which must be patiently studied and the right remedy soberly and inflexibly applied. If Mr. TAFT shall use a little more patience than Mr. ROOSEVELT has shown, and not declaim about "predatory wealth" quite so vehemently and so frequently, he may accomplish just as much in the way of reform without at the same time inflicting harm upon the lawful business of the country.

DEFICIENT revenues are beginning to give the Treasury officials some concern. The slackening of business has affected internal revenue receipts unfavorably, and imports have sharply fallen off, thus reducing the customs receipts.

But while the Government's income in the last eleven months was reduced by $56,000,000, the expenditures were increased by $72,00,000. Of course, in making appropriations Congress can not know, necessarily, that the revenues will decrease. But this year, with the figures before it, there was no disposition to economize, and the appropriations approached record-breaking totals.

Instead of pruning expenses, it is much easier and more popular for

Congress to be liberal in making appropriations, looking to borrowing to make up any deficit that may result from this policy.

ACCORDING to a ruling of the Auditor of Public Accounts of the State of Illinois, who is the supervising officer of the state banks and trust companies, it is unlawful for banks to give collateral security for deposits. The question arose in connection with a fraternal society that desired to place its funds on deposit with a bank, but wished the bank to lodge collateral securities in the hands of the society as a guaranty of the safety of the deposit.

In his ruling the Auditor said that a transaction of this kind could hardly be regarded as a "deposit," but must be considered as money borrowed by the bank. He further said that to permit an arrangement of this sort would be to divide the depositors of a bank into two classes, secured and unsecured, and declared that neither the laws of Illinois nor the Federal banking act contemplates the securing of deposits.

The National Bank Act certainly does contemplate the securing of deposits, so far as respects the funds belonging to the United States, and rigidly insists on the deposit of collateral to guard against the possibility of loss. As the Auditor pertinently says, if a fraternal society may justly demand such security, why may not an individual do the same thing? And it may be asked, if the National Government may require banks to put up collateral for deposits, why may not an individual insist on being as fully secured? It surely can not be contended that the individual has better means than the Government has for obtaining accurate information of the safety of banks. On the contrary, the banks in which the Government makes deposits are under the watchful eye of its own agents, who are authorized to inspect the books and to make a thorough examination of the banks' securities and of their business methods. Yet with all its power of examining and supervising the national banks which it uses as depositaries of public moneys, the Government of the United States refuses to trust the banks to the extent of a single dollar.

It may be said that the deposits of individuals with banks are not the same in character as those made by the Government. It is perhaps more nearly accurate to say of these "deposits," as the Auditor of Illinois did of those in the case above referred to, that they are loans, secured by collateral, and not deposits in the strict meaning of the term.

But in any case, while the Government ought to take care that the public funds placed with the banks are adequately secured, to exact the deposit of an equal amount of securities with the Treasury would seem to be going quite beyond the bounds of reason.

THERE are two banks in New York—the American Exchange National and the Chemical—that refused to accept Government deposits on the terms prescribed in the new banking law. These banks do not pay interest on deposits, and although the payment of one per cent. interest which the law requires would have been a comparatively trifling matter so far as the cost was concerned, these banks refused to alter their established policy, even for the sake of being "designated depositaries of the United States."

If it were practicable for all the banks to follow the lead of these two conservative institutions, the United

States would be without a public depositary in New York (except for such amounts which the banks may hold under the law without the payment of interest thereon), and the whole business of commercial banking in this city would be lifted to a healthier plane.

But with the trust companies doing a general banking business and offering to pay interest on deposits, it is an impossibility for the ordinary commercial banks to do otherwise than bid for deposits in the same manner, even were they so disposed. And so long as the banks in other cities within the competing territory of the New York banks continue to pay interest on deposits, the banks of this city will have to do likewise as a measure of self-protection.

Even if there were no trust companies, it can not be said with any degree of certainty that the banks would not offer interest on deposits. It would, however, in that case, be easier than it now is for them to discontinue the practice if they wished to do so.

AT the spring meeting of the executive council of the American Bankers' Association at Lakewood, N. J., an interesting report was made by the Committee on Credit Information, of which Mr. JOSEPH T. TALBERT, vice-president of the Commercial National Bank of Chicago is chairman.

The report took up the subject of the purchase of commercial paper by the banks, through note brokers, and called attention to abuses that have developed in the course of such business. After considering various means of correcting these abuses, the report says:

"The correction of abuses, and the proper safeguarding of credit as far as it can be done at all in the purchase of paper, appears to lie in co-operation between the banks and the best of the note brokers. The only practical means of procuring such co-operation, if any exists at all, is through the clearing-houses. The real difficulty in gauging credits is to get at the truth and the whole truth. This is nearly always inaccessible, but even when attained the credit man is not often in position to know absolutely that the information before him is the whole truth. Aside from the relatively few cases of barefaced fraud and dishonesty, against the happening of which there can be no protection, severe losses are nearly always sustained because of misleading statements and of incomplete knowledge of the facts. It seems clear, therefore, that the greatest measure of protection lies in bringing about through co-operation of clearing-house banks a system of annual audits of the books and accounts of all concerns selling paper through note brokers."

This suggestion seems to be practicable, and if it shall be carried out, a check will be placed upon the easy manufacture of "commercial paper," and the undue extension of credit.

Every effort made to enhance the safety of commercial paper tends to promote the soundness of the country's banking and business transactions.

The labors of this committee are most important, and it is to be hoped that the report which will be made at the Denver convention of the American Bankers' Association may form the basis of favorable action in line with the work already done.

FEW Presidents have rendered greater service to the cause of sound money than Mr. CLEVELAND, whose death occurred last month. Whether the run on the Treasury made in his second Administration was due

to deficient revenues, to an unfavorable state of the foreign trade, or to the large purchases of silver, does not matter much so far as Mr. CLEVELAND'S action is concerned. He found the Treasury gold running down, and failing to replenish it by sales of bonds, he resorted to the device of buying gold with bonds and at the same time making a contract with the Belmont-Morgan syndicate to maintain the Treasury gold at a certain figure. This expedient proved successful, and the threatened suspension of gold payments was avoided.

Mr. CLEVELAND not only defended the gold standard from the assaults made upon it, but he practically forced Congress to repeal the silver-purchasing clause of the Sherman Act, thus reversing the country's policy of "doing something for silver," and preparing the way for strengthening the gold standard and making it something more than a thory.

Had Mr. CLEVELAND been in power in later years, he would undoubtedly have championed the cause of credit bank-note currency, and with his forceful personality would have carried it to success.

GROVER CLEVELAND had many substantial claims to the affectionate remembrance of his countrymen, and by no means the least of these were the services he rendered to the cause of sound and honest money.

EMINENT banking authorities, when considering the note-issuing functions of the banks, seem to get enveloped and befogged in the clouds and mists that have been engendered by the endless controversy over a really simple matter.

Mystification has ever been the reliance of those who seek to hold the masses of mankind under their dominion. The plain truths of religion have been so obscured by irrelevant doctrines and creeds that it has become almost a hopeless task to extract the grain of wheat from the mass of chaff in which it has become hidden. The quack doctor may generally be recognized by his employment of medical terms which the layman can not understand. Pseudo-political economists may be "spotted" by the very profundity and complexity of their views. They involve themselves in a mass of technicalities and fine-spun theories which neither they nor any one else can comprehend.

The ease with which mankind may be mystified accounts for the slow progress of currency reform in the United States. Quacks and cuttlefishes are doing all they can to obscure the plain simple issues involved. If the movement is to attain sufficient strength to carry it to success, it must be championed by some man of forceful personality who possesses the capacity to present the whole question in such a plain and straightforward manner that anyone of ordinary intelligence can understand it.

NOVEL LOCATION FOR A BANK.

A DISPATCH from Reno, Nevada, under date of June 24 says:

State Bank Examiner Hofer has returned from Rawhide after making an examination of the First Bank of Rawhide and the Merchants and Miners Bank. He also examined the Bank of Wonder and declares that all three are insolvent. He says the Merchants and Miners may be able to settle its claims if creditors do not press them.

The Northern Saloon, run by Tex Rickard at Rawhide, has practically assumed all banking operations. Last night Rickard came to Reno with several thousand dollars' worth of checks which he cashed. Rickard has arranged to serve as a clearing house for Rawhide merchants and will do the banking business over his bar.

THE CURRENCY PLANK IN THE REPUBLICAN PLATFORM.

SHORTLY before the assembling of the Republican National Convention at Chicago, the New York "Times" printed what purported to be a tentative draft of the Republican platform. It was commonly understood that this preliminary draft of the liminary draft, together with the alterations.

We reproduce herewith from the "Times" the original draft of the plank relating to Currency Legislation, together with the changes that were made before its adoption:

Currency Legislation. We approve the emergency measures adopted by the Government during the recent financial disturbance, and especially commend the passage by the last session of Congress of the ~~temporary enactment~~ designed to protect the country from a repetition of such stringency~~, only until there can be established a permanent currency system that will avoid all emergencies~~. The Republican Party is committed to the development of such a permanent system, responding to our greater needs; and in line in all respects with the most progressive nations of the world; and the appointment of the monetary commission by the present Congress, which will impartially investigate all proposed methods, insures the early realization of this purpose.

law.

The present currency laws have fully justified their adoption, but an expanding commerce, a marvelous growth in wealth and population, multiplying the centres of distribution, increasing the demand for the movement of crops in the West and South, and entailing periodic changes in monetary conditions, disclose the need of a more elastic and adaptable system. Such a system must meet the requirements of agriculturists, manufacturers, merchants, and business men generally, automatic in operation, minimizing the fluctuations in interest rates, and, above all, it must be in harmony with that Republican doctrine which insists that every dollar shall be based upon, ~~redeemable in~~ and as good as gold.

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In line with the purpose here declared to secure by every wise means greater safety and stability in the banking and currency system, we favor the establishment of postal savings banks for the people, upon principles embodied in the measure now pending in Congress and set for a vote on Dec. 14 next

Postal Savings.—We favor the establishment of a postal savings bank system for the convenience of the people and the encouragement of thrift

platform had been submitted to the President and Mr. TAFT, even if it had not been actually prepared by them. That it did not differ greatly, as a whole, from the platform actually adopted is shown by a reproduction in the "Times" of June 19 of the pre-

It will be seen the original draft referred to the new currency law as a "temporary enactment," but this was stricken out, as were also the following words: "Only until there can be established a permanent currency system that will avoid all emergencies."

Evidently, if the President and Mr. TAFT were responsible for the original draft of the platform, declaring the Aldrich-Vreeland law to be a temporary measure, they were overruled at Chicago by some superior authority.

The changes referred to really mean that it is the intention of those who forced the Aldrich-Vreeland law through to make it permanent, for all the declarations of the currency plank are empty, and might just as well be a part of the Democratic or Populistic party creed.

In stating that "the appointment of the Monetary Commission by the present Congress . . . insures the early realization of this purpose" (the development of a permanent system, responding to our greater needs, etc.) the Republican platform affronts every man of common intelligence. The Monetary Commission, with two exceptions—Mr. BURTON and Mr. WEEKS—is made up of men from whom nothing sound or sensible in the way of currency reform may be expected.

Another significant change was made in striking out the provision that every dollar shall be redeemable in gold. This is a direct concession to unsoundness. It is, moveover, a display of ignorance, for already every dollar is redeemable in gold, either by law or by Treasury precedents.

The Republican currency plank is weak and unsound. Apparently its worst features were dictated by those who are chiefly responsible for the Aldrich-Vreeland currency law. It by no means follows, however, that Mr. TAFT need be bound by this declaration. He is great enough and strong enough to make a platform of his own.

THE BANKS OF BUENOS AIRES.

THROUGH the courtesy of Mr. C. A. Tornquist, THE BANKERS MAGAZINE is enabled to present herewith statistics, showing the condition of the banks of Buenos Aires, Argentine Republic, on February 25 last (amounts stated in United States currency).

BANCO	Surplus and capital paid up	Deposits in U. S. dollars	Cash reserve	Percentage of cash to deposits	Dividends per cent.
Anglo Sud Americano	$6,500,000	$4,716,626	$2,397,165	50.82	6
Aleman Transatlantico	6,000,000	13,402,885	5,271,108	39.32	8
Britanico de la America del Sud	4,500,000	16,460,017	6,012,835	36.53	9
Credito Argentino	5,000,000	1,097,036	402,488	36.69	10
Espanel del Rio de la Plata	10,000,000	51,714,304	14,434,940	27.91	12
Frances del Rio de la Plata	3,000,000	24,924,565	9,730,209	39.04	9
Galicia y Buenor Aires	2,500,000	1,542,417	500,984	32.48	..
Germanico de la America del Sud	5,000,000	1,924,261	2,245,658	116.70	..
Habilitador		33,308	32,965	98.97	..
Italia y Rio de la Plata	3,000,000	32,440,000	6,493,262	20.02	7
Londres y Brasil	6,000,000	4,102,208	2,058,218	50.18	12½
Londres y Rio de la Plata	10,000,000	61,551,989	28,060,766	45.59	20
Nacion Argentina (Central Nat. Bk.) Property of the Arg. government.	35,000,000	92,293,387	42,808,139	46.38	profits incr'se capital
Nuevo Italiano	1,500,000	10,115,910	1,825,150	18.04	10
Popular Argentino	2,200,000	3,746,571	1,793,863	47.88	10
Popular Italiano	400,000	767,539	143,206	18.66	..
Provincia de Buenos Aires	10,000,000	25,558,148	6,084,319	23.80	8
Total	$100,000,000	$346,391,171	$130,295,375	37.61	

Loans $345,000,000.

THE BANK OF FRANCE.

Importance of the Note Circulation.—The Policy of a Uniform Discount Rate and the Protection of the Gold Reserve.

By Charles A. Conant.

THE function of note issue is important in France because of the large part which notes play as a medium of exchange in comparison with checks and other instruments of credit. There is nominally a fixed limit to the amount of the circulation of the Bank of France, but practically this limit has always been raised by a change of law when it has become apparent that the business of the country has grown up to the limit.

The limit was first fixed during the Franco-Prussian War as a necessary condition of the suspension of gold payments, but when the government proposed the removal of the limit in 1884, it was fixed by the Chambers at 3,500,000,000 francs ($700,000,000). Another extension of the legal limit was made by the law of January 25, 1893, to $4,000,000,000 francs and it was found necessary in the extension of the charter in 1897 to advance the limit to 5,000,000,000 francs and again by a law of February 9, 1906, to 5,800,000,000 francs.[1]

The Bank of France faced a serious problem at the close of the nineteenth century in the struggle over the renewal of its charter. The renewal was proposed in 1891, but the opposition was so strong in the Chambers that the bill for the purpose was withdrawn by the ministry for fear of defeat. The bank then pursued a Fabian policy, awaiting the near approach of the expiration of the charter at the close of 1897 in the apparent belief that opposition would be silenced in a measure by the lack of time for framing a workable project for a new institution. The new charter was laid before the Chamber of Deputies on October 31, 1896, and was referred to a committee of twenty-two for examination. This committee did not report until winter and their report was not taken up for consideration in the Chamber until May 15, 1897. The bill passed the Chamber on July 1, by a vote of 419 to 97,[2] and went to the Senate, where it was passed at the October session and became a law on November 17, 1897. The vote upon the passage of the bill in the Chamber of Deputies did not indicate the full strength of the opposition to the charter. The proposition to convert the bank into a state institution was rejected by a vote of 118 to 422, but the proposition that the bank should provide capital for an agricultural bank to the amount of 60,000,000 francs was rejected only by a vote of 287 against 258.

The new charter, which was not greatly changed from the form in which it was submitted by the Government, extended the privileges of the bank until December 31, 1920, subject to the power of termination by the Chambers on December 31, 1912, if they should see fit to so vote during the year 1911. The latter limitation was added by the Committee of the Chamber of Deputies which considered the government plan. The essential features of the old charter were not changed, but the limit of circulation was increased to 5,000,000,000 francs, the bank renounced interest upon two existing loans to the Government amounting to 140,000,000 francs, and made a further advance to the Government of 40,000,000 francs free of interest. These renunciations of interest

1 Bulletin de Statistique, February, 1906, LIX. 119.

2 L'Economiste Europeen, July 2, 1897, XII. 15.

are largely offset by the fact that the Government carries in its current account at the bank a sum which is usually equal to the amount of these loans. The bank was required to create at least one new auxiliary bureau each year up to the number of fifteen. The most important of the new obligations imposed upon the bank was the payment of a tax equal to one-eighth of the rate of discount upon that portion of the circulation which exceeds the metallic reserve. This tax is never to be less than 2,000,000 francs, ($400,000) per year.[3]

The Bank of France enjoys the advantage of an ownership and credit independent of that of the Government, in spite of the close official supervision which is exercised over it. This financial independence proved as useful to the country midst national disasters and changes of government in 1870-71 as dependence upon the government proved dangerous during the similar changes of 1814-15. The bank was able to assist the government by advances when its own arms were paralyzed.[4] None of the 182,500,00 francs of the bank capital are owned by the State, but the government since 1806 has had a share in the management through the appointment of the governor and two deputy governors, removable at the will of the Minister of Finance. The bank receives the public moneys on deposit and performs other public services free of charge, but does not act as an agent of the State to the same extent as many other European banks. By the charter of 1897, the duty was imposed upon the bank of paying coupons of the public debt and issuing new loans.[5]

The governing board of the bank is a general council, which consists of fifteen regents and three inspectors or auditors (*censeurs*). The members are elected at a general meeting of the stockholders, but three of the regents must be selected from the treasury disbursing agents, and three inspectors and five regents must be chosen from among the business portion of the shareholders.[6] The only shareholders entitled to participate in the annual meetings in January are the two hundred who hold the largest number of shares, and at the present value of the shares no shareholder worth much less than 500,000 francs ($100,000) is able to participate. A full statement of operations is furnished by the bank to the government every six months and a balance sheet is published in the official journal every Friday.

The governor and deputy governors of the bank are the direct representatives of the state and most of the measures taken by the bank are taken on their initiative. It is from them that proposals usually come for raising or lowering the rate of interest. It was declared by M. Rouland, who was governor at the time of the official inquiry of 1865, that "nothing of any description which concerns the great interest of the public, nothing which concerns the larger duties which the bank has to perform towards commerce and industry,—nothing of all that class of business is left to the discretion of what is called the interested party." He intimated that it had not perhaps happened twice in sixty-two years that the proposal to change the rate of discount had come from the council.[7] The bank has had only thirteen governors

3 Bulletin de Statistique, December, 1897, XLII. 582.

4 Noel, I., 240. M. Thiers summed up one of the lessons of sound banking in a sentence: "The bank saved us because it was not a bank of state."

5 Pommier, 329.

6 Lois et Statuts, Art. 9, loi du 22 Avril, 1806.

7 Palgrave, 147. It is declared by Fachan that this mixed system gives satisfaction both to those who wish to withdraw from the manipulations of the state, the accumulated resources of a private bank, constituting individual property, and those who believe that the right to issue notes is so dangerous that the manner of its use and the prevention of abuses of it should be under state regulation.—Historique de la Rente Francaise, 259.

since 1806 and several served only *ad interim.*

The most important functions of the Bank of France concern the issue of bank-notes. This is plain from the fact that of its liabilities of 5,845,717,900 francs at the close of 1907, the sum of 4,800,581,450 francs represented outstanding notes, while on the other side of the account the assets included coin and bullion to the amount of 3,615,-349,735 francs. Commercial paper represented only 1,215,993,509 francs at Paris and all branches, and advances on securities 577,867,415 francs. Private deposit accounts represented at Paris 426,298,229 francs and at branches 62,677,837 francs. To a very large extent the function of the bank is that of rediscount. It performs this function even for paper representing very small transactions and has in this direction done much to benefit small producers and shopkeepers. Thus, during 1907 the number of pieces discounted by the bank was 7,503,127 and of these 3,646,229 were for 100 francs ($19.30) or less. The number of pieces of these low amounts was 1,160,495 in 1881; 1,590,839 in 1885; and 2,188,957 in 1894. The average value of paper discounted in 1907 was 732 francs and the average time before maturity 26.06 days.[8]

The discount policy of the Bank of France has been as conservative as its administrative policy. While the average rate has been very close to that of the Bank of England, or about 3.60 per cent. from 1844 to 1900, the changes have been much less frequent and advances in the rate have been much less radical in periods of stringency. During the period from 1844 to 1900, the Bank of England altered its rate 400 times; the Bank of France altered its rate 111 times. Nor has the tendency of recent years been less favorable to the conservatism of the French bank. From 1890 to 1900 inclusive, the changes at the English institution were 66; at the French, 9.[9] During the earlier years of the history of the French bank, from January 13, 1820, to January 14, 1847, the rate was kept uniformly at four per cent. In more recent years, the rates fixed on May 19, 1892,—two and a half per cent. for commercial discounts and three and a half per cent. for advances on securities—remained for nearly three years unchanged, when they were reduced on March 14, 1895, to two and three per cent. There were changes resulting from the South African War in 1898, which carried the rate for discounts as high as four and a half per cent. for very brief intervals in 1899 and 1900; but on May 25, 1900, the rate for discounts was fixed at three per cent. and for advances at three and a half per cent. These rates remained unchanged for nearly seven years, until the growing pressure for capital at the beginning of 1907 led to an increase. The rate was fixed on January 17, 1907, at three and a half per cent.; on March 21, at three per cent.; and on November 7, at four per cent., while at London it stood at seven per cent. and at Berlin at seven and a half. With the passing of the storm, the rate went down on January 9, 1908, to three and a half per cent., and on January 23d to three per cent.[10]

The comparative uniformity of the discount rate at the Bank of France has been the result of three factors,—the magnitude of the metallic reserve; the less variable demands upon the bank than those which fall upon the Bank of England; and definite adherence to a different policy of maintaining the reserve.

A large reserve has made the Bank of France less sensitive than it might otherwise have been to temporary demands for gold. Since the suspension of silver coinage on private account the gold hoard of the bank has, with few interruptions, steadily grown until it was for a time the largest accumulation

8 Assemblee Generale des Actionnaires, 1908, 18.

9 Palgrave, 151.

10 Assemblee Generale des Actionnaires, 1908, 9.

of gold in the world. The outpour of the yellow metal from the mines of South Africa accelerated the upward movement, in spite of the large demands made by Russia and the United States. By the close of 1902 the gold in the bank stood at 2,542,700,000 francs, which was an increase of fully fifty per cent. over the amount ten years before. This amount was considerably increased in the following years, in spite of the monetary pressure of 1907. For a time the accumulation of silver was in excess of requirements, but after 1892 there was a gradual decline in the volume of the white metal, which in fifteen years reduced the amount by about twenty-five per cent.[11]

While the metallic reserve of the Bank of France sustains a large volume of outstanding notes, and the bank stands ready to rediscount paper for joint stock banks, there are fewer and smaller sudden demands for money than in London. Foreign trade, the demand for exchange, and the investment of capital abroad play a smaller part than on the London market.[12] At the close of 1907 deposits and creditor current accounts in the five principal French stock banks were about 3,500,000,000 francs ($700,000,000) and reserves in currency or on deposit in other banks were 330,000,000 francs ($66,000,000). The corresponding figures for English joint stock banks were deposits of $4,200,000,000 and cash resources of $850,000,000. Obviously, to meet possible demands of such magnitude it is essential for the Bank of England to take resolute action when its reserve is threatened. The English institution, moreover, lacks the power to meet emergencies by the issue of its notes, which is one of the chief resources of the Bank of France. It is the knowledge that this power of note issue can be availed of for making rediscounts, practically without limit, which enables the joint stock banks of France to do business in safety with slender cash reserves. The largest of these institutions is the Credit Lyonnais, with deposits at the close of 1907 amounting to 1,542,800,000 francs ($298,000,000). The other two of chief importance are the *Societe Generale* and *Comptoir Nationale d'Escompte*, each with deposit obligations of over 800,000,000 francs.[13]

Apart from these differences in its position, however, the Bank of France has for many years pursued deliberately the policy of protecting its reserve under certain conditions by buying gold at a loss rather than by imposing upon commerce the burden of an increase in the discount rate. It is recognized that this method is not efficient in an economic crisis, because it does not operate upon the whole commercial structure to restrict loans and speculation and to attract capital from abroad. There are occasions on which the French method may properly be used, however, as when credit is not unduly expanded and where a demand for gold has arisen from special and recognizable causes. While this method of protecting the gold reserve was at first condemned by economists, and while their censure was well founded so far as it applied to its use to counteract the drain of a crisis and to redress the balance of the foreign exchanges, it has come to be recognized in recent years that it may be combined in a cautious manner with the English method of advancing the discount rate, with benefits to legitimate business. The choice of either method, or the prudent use of both methods in conjunction with each other, depend largely upon

11 M. Pallain, the governor of the bank, points out that the diminution of the reserve which took place during the trying period of 1907 was wholly in silver and arose "from the demands of the colonies or from our allies in the Latin Union, of whom we have every interest in facilitating their re-stocking." Of the 400,000,000 francs lost since 1892, he computed that half had gone since 1904.—Assemblee Generale des Actionnaires, 1908, 15.

12 Palgrave, 149.

13 Vide L'Economiste Europeen, March 6, 1908, XXXIII. 295.

the ability of bankers to judge whether the drastic pressure of sharp advances in the discount rate is required in order to arrest the expansion of credit and check dangerous speculation.

While the project of direct profit-sharing is not enforced so avowedly by the government upon the Bank of France as upon some other European banks, the Treasury receives a liberal proportion of the earnings of the bank. By various forms of taxation the government in 1907 collected thirteen per cent. of gross earnings and more than twenty-three per cent. of net earnings. The total amount thus absorbed was 11,082,218 francs ($2,140,000) of which about 7,357,141 francs ($1,420,000) came under the head of the return to the State as fixed by the charter of 1897. Up to that time an annual tax had been paid of 2,500,000 francs. The new law provided that the government should receive one-eighth of the rate of discount upon the productive operations of the bank, but in no case less than 2,000,000 francs per year. The productive operations were based upon the difference between the metallic reserve and total operations.[14] Another provision of the charter of 1897 provided that profits arising from a discount rate above five per cent. should be covered to the proportion of three-fourths into the public Treasury. The effect of this provision was to discourage the advance of the discount rate as a means of retaining gold. It did not become operative, however, until 1907, when certain special discounts of English paper were consented to at a rate above five per cent.

The number of branches and banking offices of the Bank of France has been increased from time to time, until the total number at the close of 1907 was 467. The number in 1894 was 249. The number of employees, which at Paris was 1074 in 1894, rose in 1907 to 1300, while at the branches the increase was from 1258 to 1636. The dividends paid in 1907 were 175 francs per share, to 29,485 separate shareholders.

14 Calculations summed up by Pommier showed that from 1874 to 1896 the new plan would have yielded the government about 37,000,000 francs more than the old, even though in certain years the return would have fallen below 2,500,000 francs.—La Banque de France et l'Etat, 402-3. The total payments under the new provision to the close of 1907 were 50,133,551 francs.

PENNSYLVANIA DIVIDEND.

THE regular semi-annual dividend of the Pennsylvania Railroad Company was mailed on May 28 to 59,415 shareholders, the greatest number in the company's history, and representing an increase of 14,000 over the number receiving the dividend one year ago.

The nearly 60,000 separate checks sent out amounted in value to $9,437,839.50, this being a dividend of three per cent. on the capitalization of $314,594,650, divided into 6,291,893 shares of $50 par value. The average holdings amounted to only 105 shares, a decrease for the last year of thirty-two.

Of exceptional interest is the increase in the number of women shareholders from the 21,028 of one year ago, to 27,767. Women thus receive more than forty-six per cent. of the total number of dividend checks sent out.

There are 17,988 shareholders of the Pennsylvania Railroad in the state of Pennsylvania—30.13 per cent. of the total—an increase during the past six months alone of just 3,000. During this same period the number of shareholders in New York State has increased by 1,259 to a present total of 8,903. The average ownership in the state of Pennsylvania is eighty-eight shares, while in New York state each stockholder owns an average of 207 shares.

On October 1, 1907, there were 8,536 shareholders of the Pennsylvania Railroad in Europe. On May 28 there were mailed, on the company's behalf in London, checks for 9,591 individual stockholders owning an average of 129 shares. New England shareholders get 13,681 of the dividend checks sent, investors in that section owning an average of seventy-one shares.

Including the dividend mailed on May 28, the Pennsylvania Railroad has, during the past nine and a half years paid to its shareholders in dividends the sum of $140,552,476. During that period, that is since January 1, 1899, the number of partners in this company, persons depending for a whole or a portion of their income upon the earnings of this corporation, has increased from 23,720 to 59,415—an increase in ten years of 35,695 shareholders.

TEMPORARY LOANS.

HE'D SAVED THE COUPONS.

"Father seems impressed with your talk about coupons," said the maiden. "Have you really any?" "Sure," answered the guileful youth. "Got 500 saved up toward a piano for our little flat."—*Louisville Courier-Journal.*

CASH IN ADVANCE.

"I pay as I go," declared the pompous citizen. "Not while I am running these apartments," declared the janitor. "You'll pay as you move in."—*Pittsburg Post.*

STARTING THE PANIC.

"Have you ever been through a money panic?"

"One."

"What started it?"

"I told my wife I couldn't afford to buy her a Merry Widow."—*Exchange.*

DEFINITION OF A FINANCIER.

A financier is a man who spends the first half of his life trying to get money, and the second half trying to give it away.—*Boston News Bureau.*

A TASK TO STAGGER HIM.

If Solomon were alive could he draft a popular currency bill?—*Boston Journal.*

LINES OF A BANK SLIP.

Let me deposit on this slip
Every day my little bit,
So when I pass in all my checks,
St. Peter won't call, "pass on, there; next!"

—*Detroit Free Press.*

AN UNNECESSARY QUALIFICATION.

The bank cashier need not have a good musical ear to detect a false note.—*Philadelphia Bulletin.*

AN IMPORTANT DISTINCTION.

She (indignantly)—"Why did you fail to keep your appointment with me yesterday?"

He—"I'm awfully sorry, but I was compelled to wait in a restaurant until it was too late."

She (icily)—"Pardon me, but I thought you had a position in a bank. I wasn't aware that you were a waiter."—*Chicago Daily News.*

TRUST BUSTER FOILED AT LAST.

"Well, I see that there is at least one trust which Roosevelt has not succeeded in busting."

"Which one is that?"

"The In God We Trust."—*New York Evening Post.*

CONSERVATIVELY TRUTHFUL.

Employer—"Are you truthful?"

Young Applicant—"Yep; but I ain't so darn truthful as to spoil your business."—*Judge.*

DESTROYING CONFIDENCE.

Stockholders of Bank—"We have you dead to rights. You have embezzled more than the capital stock of this institution, and we will prosecute you to the limit."

Bank President—"But—er, gentlemen! Wouldn't that—er, be destroying confidence?"—*Chicago Journal.*

CURE FOR A BAD MEMORY.

Koyne—"I wish I could do something to improve my memory. I am dreadfully forgetful."

I. M. P. Cunius—"Lend me ten dollars."—*Washington Heights Town Topics.*

TRUST COMPANIES

Conducted by Clay Herrick.

LESSONS OF THE PANIC OF 1907.

Views of Prominent Trust Company Officials.

REAL test of the strength of any financial institution comes when unusual demands are made upon it. The tide of prosperity carries with it craft of all kinds, strong and weak, which float with ease upon the calm surface of a stormless sea: but when "the rains descend and the winds blow," when the gathering storm bursts with full fury, the weaker ones go down, and the crafts which safely ride the tempest are those built and equipped and manned for both foul weather and fair.

To the observant and thoughtful man a panic offers unusual opportunities for the study of the strong and the weak points of financial institutions, for the adoption of those principles and practices which have been proved good and the casting away of those which have been shown to be elements of weakness. In finance as well as in politics, in 1908 as well as in the days of Patrick Henry, there is no safer guide than the "lamp of experience." Unfortunate as have been many of the effects of the panic of 1907, this much good at least ought to result, that our banks and other financial institutions learn how to become better and stronger than ever.

For the trust company, special interest attaches to the recent panic, because of the fact that it was the first panic that has occurred since the trust company became an important factor in the financial world. The real development of the trust company had just begun at the time of the panic of 1893, the number of companies at that period being about 350, as against over 1,500 in 1907. During the fourteen years the aggregate resources of these institutions had increased from about one billion dollars in 1893 to nearly four and a half billion dollars in 1907.

Opponents of the trust company had freely prophesied that the institution would not survive the strain of a severe panic, and called attention to the fact that the great development which they were having during the flush times from 1898 on came during a period when everything was flourishing, and hence offered no indication of what to expect when the tide turned.

We are now far enough away from the panic of 1907 to know that the forebodings of such critics were not well-founded. The trust company weathered the panic quite as well as any other financial craft, and is anchored to-day in as safe a harbor and in as sea-going a condition as any. Minute comparisons between different kinds of financial institutions at this time would be useless, and the truth is that all classes of them withstood the exceedingly severe strain as well as any reasonable man could expect under the conditions which they had to face. It is safe to say that the trust company as an institution made an enviable record.

Nevertheless, it would be idle to claim that the trust company, unlike all other human institutions, is in a state of absolute perfection. There must be points in which its organization and management can be improved. Some of these must have been revealed in so

severe a strain as that imposed by the panic of 1907. What were they?

In the wish to get expert testimony on this question, letters were written to a number of prominent trust company officials in various parts of the country, asking for their views on the question, "What Lessons for the Trust Company Were Revealed in the Recent Panic?"

Following are the replies received:

JOHN H. HOLLIDAY, president Union Trust Co., Indianapolis, Ind.: Speaking briefly, the lesson for trust companies taught by the panic is in my opinion the advisability of doing sound banking. Do not trespass on the field of commercial banks; maintain ample reserves with a goodly proportion of cash; avoid speculative promotions and the tying up of funds in slow loans or unmarketable securities; do not try to make money "hand over fist" by doubtful projects; in short, "play safe" and be content with reasonable profits rather than risk the solvency and standing of the institution in the hope of grasping inordinate ones. Security is the foundation of the trust company's success. A reputation for conservatism will be the greatest asset in the long run. Even with the utmost carefulness and good judgment some losses will occur, but this does not justify rushing into danger because other companies have taken such risks without damage. The responsibility for the care of other people's money should never be lost sight of, and the ability to pay depositors on demand should never be in doubt.

FESTUS J. WADE, President Mercantile Trust Co., St. Louis: The lessons from the panic of 1907, from the standpoint of the trust company official, may be briefly summarized as follows:

1. Trust companies doing a banking business should be in the clearing-house association of their respective localities.

2. They should shorten up the maturities of the paper they hold, so that when a sudden call is made, their assets will be easily convertible.

3. Trust companies doing a banking business should carry the same cash reserve as state or national banks of their respective localities.

4. Trust companies doing a combination trust and banking business should avoid investing their money, or the money of their depositors, in promotion schemes, no matter how profitable they may be.

E. D. HULBERT, vice-president Merchants' Loan and Trust Co., Chicago: In considering the question proposed, it should be borne in mind that there are several different kinds of trust companies. To differentiate broadly, they are: first, the company that confines itself exclusively to fiduciary business and receives no deposits except in that capacity; second, the company that, in addition to its strictly trust business, receives savings deposits and, in many cases, carries on a commercial banking business as well; and third, the company which, in addition to all these things, does what is commonly known as "promoting" or "financing." This, in its mildest form, consists in loaning money to carry on construction work, with the expectation of being repaid when the work is completed, through the sale of bonds or other securities. Also the underwriting of bonds on completed property, trusting to the sale of the bonds for repayment.

The companies which confine themselves strictly to fiduciary work and receive no deposits may be left out of consideration.

Those which receive commercial and savings deposits should, and generally are, placing that part of their business under the same regulations, regarding the character of their loans and investments and the carrying of cash reserves, as prevail with well managed banks doing a purely savings or commercial business.

Those which have been undertaking so-called financing and promoting in connection with a deposit business will, it is to be hoped, abandon that part of their business entirely.

It is difficult to understand why any

trust companies have assumed that they could invest their deposits safely in ways that would be considered improper for commercial banks, or that they could properly protect those deposits with reserves that would be inadequate for other banks.

It can hardly be questioned that the trust companies which have persisted in these practices have been a source of weakness to our financial system, and there are many thoughtful men who believe that if all banks and trust companies receiving deposits of other banks had been required to keep proper cash reserves, the crisis of last fall would have been passed without any suspension of currency payments and we would not now be subjected to the danger of hasty currency legislation.

In short, I believe the lessons the trust companies are to learn from the so-called panic of last fall are the simple, homely lessons that all panics teach; namely, that it is not safe to depart from the fundamental principles of sound finance.

The success of trust companies has been so great in handling all branches of legitimate banking that it is safe to assume the correction of the evils above referred to will entrench them more strongly than ever in popular favor.

F. B. Gibson, president Colorado Bankers' Association: The phenomenal success of trust companies has inclined them to go beyond their original scope, and to encroach upon the domain of both the commercial and the investment banker. The trying experience of the fall of 1907 has called a halt on this tendency. It has shown:

First, that trust companies are not independent of the national banks. They should have such harmonious relations as will insure active and instant co-operation in time of stress. Such relations can best be permanently assured by the trust companies leaving commercial loans and deposits for the national banks, and by their allowing only such interest rates on deposits as their clearing-house associates will deem fair.

Second, the trust company being under no obligation to loan to its own customers, is free to select the most profitable employment offered for its funds. Herein lies the temptation to engage in promotions and speculative investments, the evils of which recent experiences have fully demonstrated. This field of operation should be left to the investment and private bankers.

Another thought not prompted especially by the recent disturbance, but of much importance to trust companies, is this: the word "trust" should be safeguarded by statute in all the states. In Colorado its use is restricted to corporations organized under the trust company law, and subject to supervision by the State Bank Commissioner. This protects the name from use by promotion concerns and loaning companies, and gives it the same dignity and standing as the word "bank," thus increasing the public confidence in those institutions doing a strictly trust company business.

Lynn H. Dinkins, president Interstate Trust and Banking Co., New Orleans: It appears to me that, taken all in all, the trust company has no special cause for anxiety over the record made by it during the past seven months.

The necessity for a company which accepts demand deposits retaining in its own vaults a fair percentage of cash reserve was already known to everybody; the value of such a policy has been, perhaps, accentuated.

The advantage of co-operation between companies in the same locality was also universally recognized before October, 1907; but, in our section, it is now availed of by many companies which competition heretofore separated.

It may be possible that the value of having a directory fully conversant with loans, investments, etc., is a new lesson to some companies; but, I think, a majority of the larger companies have utilized their directory in this way for the past several years.

We have found that in order to obtain the best service results from directors it is desirable to have them interested, to a considerable extent, in the stock of the company. It may be this is a new lesson, and one well worthy of consideration.

Benjamin I. Cohen, president Portland Trust Co., Portland, Ore.: The recent panic impressed upon my mind the fact that a well organized and properly managed trust company was about the safest financial institution known to modern times. The record made by the trust companies was, I think, superior to that made by the national banks. The weaknesses that were developed in the trust companies that got into difficulties were due, in a few rare instances, to dishonesty, but principally to the fact that the companies alluded to were managed by visionaries or unscrupulous men who used them as a medium for speculation, rather than as legitimate trust companies, having due regard to the sacredness of other people's property.

Another fruitful source of trouble was a desire to make undue profits; in other words, looking for high-rate investments, rather than absolute safety of the principal.

I do not think that the amount of cash reserve that any given trust company held at the beginning of the panic was of as great importance as the manner in which their investments were made. In other words, if a company had a fair cash reserve, then had a good second reserve in the shape of well selected bonds or commercial paper of the highest class, and if the remainder of its assets were safely invested in mortgages, or other slow but sure paper, the company was bound to pull through the panic, because it could realize upon its quick assets, while it was negotiating the sale of its slower ones, like mortgages.

Oliver C. Fuller, president Wisconsin Trust Co., Milwaukee, Wis.: After full consideration I have come to the conclusion that I cannot comply with your request for the reason that, in my opinion, there were no "lessons for trust companies" revealed in the recent panic other than such lessons as were applicable to every class of banking institution. A possible exception may be that the New York city trust companies were shown the importance of belonging to the clearing-house association or of having an organization of their own for mutual protection and co-operation at all times and especially in times of stress, such as they experienced in October and November. But this lesson, if it might be so called, was so purely local in its application that I deem it unnecessary, if not unbecoming, for a country trust company official to comment upon it.

Notwithstanding that the panic revealed few, if any, lessons for trust companies alone, it seems to me that the aftermath has revealed many things distinctly creditable to trust companies as a whole. For one thing, it has revealed that the prediction heretofore frequently made, that the first great panic in this country would show the trust company to be an unseaworthy type of craft and unable to stand a severe storm, was founded on prejudice rather than on fact. Quite to the contrary, it appears that the trust companies as a class stood the storm quite as well, if not a little better, than the banks, and that after the storm was over they righted themselves, trimmed ship, and were ready for action quite as soon as any other type of financial vessel, so to speak.

C. F. Enright, vice-president Missouri Valley Trust Co., St. Joseph, Missouri: The recent panic, in my opinion, revealed the fact that a strong reserve is absolutely necessary for every trust company, with a goodly portion in actual cash in the vaults. Trust companies should not originate schemes or undertakings, but should provide facilities for carrying out only legitimate enterprises of proven character. It is also of the greatest importance that trust companies avoid the appearance of connection with enterprises of hazardous or speculative char-

acter. As a man is judged by his public and private conduct, so the character of a trust company is regarded by the general nature of its business.

Trust companies should endeavor to educate their customers to the fact that it is not possible to pay interest on all deposits and have all the funds on hand at all times, especially that part of their deposits upon which they agree to pay a rate of interest in excess of two per cent, per annum. It would also appear that there is a limit of rate at which banking institutions, like trust companies, can safely undertake to receive deposits, and that when they depart from the usual practices and agree to pay unusual rates for deposits they are treading on unsafe ground.

There are many lessons that have been taught by the recent panic, but after considering all of them I can realize none of more importance than the first given by me, of maintaining at all times a strong reserve and plenty of actual currency on hand, which makes an institution independent to an equal degree with its correspondents and other competitors against unforeseen flurries, which always come without warning.

SUMMARY OF VIEWS.

General Lessons.

The reader will not fail to notice that there is substantial unanimity among the above writers in the opinions, first, that as an institution the trust company has held pretty firmly to sound financial practices; and, second, that a prominent lesson taught to the few companies which needed it was the danger of being connected in any manner with promotions or speculative enterprises and of being over-anxious to make big profits. While a number of specific lessons are named in the letters, non-observance of these lessons would ordinarily be attributable to a willingness to take great risks for possible large profits rather than to ignorance of the principles involved. In short, the most essential lessons to be learned are, as Mr. Holliday puts it, "The advisability of doing sound banking"; or, to quote Mr. Hulbert, "The simple, homely lessons that all panics teach; namely, that it is not safe to depart from the fundamental principles of sound finance."

Assuming, as we safely may, that there are few trust company officials who do not know what practices are unsound or unduly risky, it would appear that the most important qualification for officers who would insure their companies against wreck in the time of stress is the ability to resist temptations to ignore what they know to be sound principles of finance—an ability which has happily been displayed by an overwhelming majority of trust company officials.

Specific Lessons.

Regarding the more specific lessons taught by the panic, opinions do not run so much in the same channels. Mr. Enright regards the necessity of keeping a strong reserve with a goodly proportion of actual cash in the vaults as the most important lesson of the panic. Most of the other writers mention this as important, while all would doubtless so regard it. Mr. Cohen, while noting the importance of a fair reserve in actual cash, expresses the opinion that it is not of so great importance as the "second reserve" in gilt-edged loans and investments upon which the company may realize.

Mr. Wade believes that the amount of the cash reserve should be the same as that of the state or national banks in the same locality. He also takes a stand in favor of trust companies being members of the clearing-house associations of their cities.

Two of the writers sound warnings against the tendency to pay excessive interest rates to depositors.

Mr. Gibson gives special prominence to the lesson that trust companies are not independent of national banks, and should conduct their business in such a way as to be in harmony with them.

Among other lessons, Mr. Dinkins points to the importance of having the directory interested in and conversant with the affairs of the company.

The discussion also brings out the opinions that the trust company should not trespass upon the field of the commercial bank; should avoid slow loans and unmarketable securities; should place itself under the same regulations as commercial and savings banks if it does the same kind of business; and that the movement to protect the use of the word "trust" in titles of corporations should be pushed with vigor.

Mr. Hulbert calls attention to the fact that there are several different kinds of trust companies; a circumstance which has an important bearing upon the question. One is led to wonder whether the lessons of the panic may not hasten an evolution which will more carefully define and limit the functions of the typical trust company, and to hope that the third class of companies mentioned by Mr. Hulbert may soon disappear.

Lessons Not New.

Several of the writers point to the fact that the lessons of the panic, though important, are not new. They have long been known—and to their credit be it said, followed—by the great majority of the men who manage our trust companies. But lessons in finance, like those in other matters, need to be restated over and over again for the sake of those who are slow to learn them.

Of most of the lessons above noted it may be said that they are not for the trust company alone, but apply as well to commercial and savings banks. Mr. Fuller states the case strongly when he says: "There are no 'lessons for trust companies' revealed in the recent panic other than such lessons as were applicable to every class of banking institution." The moral of it all is that for the trust company as well as for all other financial institutions there is need of measures to curb individuals of reckless or dishonest disposition; but the panic failed to produce evidence that the trust company as an institution is not conducted according to sound business principles.

TRUST COMPANY SECTION A.B.A.

OFFICIAL reports of the Trust Company Section of The American Bankers' Association for the year ending May 1, 1908, indicate a flourishing condition. The membership numbers 883, which is somewhat over sixty per cent. of the trust companies in the country; but most of the larger companies are members of the section, the aggregate resources of members being nearly three and a half billion dollars, as against less than four and a half billion dollars for the aggregate resources of all trust companies in the country. During the eight months ending May 1, 101 new members joined, an increase of eight over the number joining during the same period of the preceding year, which was a time of prosperity. Strenuous efforts for the increase of the membership are still in progress.

The annual meeting of the section is to be held at Denver on September 29, 1908, and an excellent programme is being prepared. If present plans are successful, an important feature of the meeting will be a reunion of the older members of the section.

IN APPRECIATION.

You lose your coin,
It comes to pass,
And go to join
The lobster class.
"A fool," they say in accents tart,
"Must quickly from his money part."

You toil and sweat
In sturdy style;
Together get
Another pile.
Then do they roses at you chuck?
Oh, no. They say, "A fool for luck."

—*Louisville Courier-Journal.*

THE RESPONSIBILITY OF THE BANKER.

By Charles W. Stevenson.

POLITICIANS, and even men who profess to be statesmen, have a habit of placing banks in the list of corporations that maintain the "money power." We have lately heard of the one hundred millionaires who are "undesirable citizens" because of the influence they wield. And many of them are bankers. Indeed, some have gone farther and charged the bankers with bringing on the late panic. As if a man would pull down the temple walls on his own head!

Close Relation of Banking to General Business.

This leads us to examine the real responsibility of the banker with reference to the character and momentum of the business of the country. And be it said at the outset that this responsibility is very great.

So closely interwoven are banking and business that we must go to the latter to determine the work and worth of the banker. It is a trite saying that business is done on credit. This is not all of the reality. This credit, which is the mainstay of business, and which is furnished so largely by the banks of the country, is directed not altogether by the banks. They are servants of the people and cannot escape this position. It is controlled and directed by the wants and needs of the people. It is limited by the supply and demand which affect the life of the people. It is a part of the time and place. That is to say, when there is an era of unprecedented prosperity the wants and needs of the people, the conditions of supply, are different from those in a time of depression, or of continued failure of crops or languishing of industries. So that the banker is powerfully affected by the force of this great current of business demands as to his supply and issue of credit. Moreover, this excess of living, this added momentum, makes in itself not only a demand but affects the power of the bank to meet the demand. Deposits foster loans and loans create deposits. It is here that the silent expansion of credit becomes almost insiduous. And although the far-seeing banker may know that the pace of business is too fast, he feels himself in the current and cannot wholly stay the tide if he would.

And there is another equation; this is the personal one. The banker must in a sense adhere to the mind or thought of his customers. That is to say, he cannot hold back, and, predicting a panic, refuse to grant loans to meet the ordinary conditions and requirements of business, albeit the time be one of dangerous inflation and excess. He must listen not only to the voice of his customer but to the reasonable plea of his depositor. The interests of the banker and customer are one. They are indissoluble. And it is for this reason that, noting the state of mind of the men who deal daily with him, the banker must, to a certain extent, accept their views of the state of the times and act accordingly, not becoming unduly alarmed or unduly rigid. For those who make the demands are in the thick of trade and must sink or swim with the general movement of commercial and financial affairs.

And yet this same banker in times of prosperity and over-straining of business, both as to methods, volume and credit, may be one of the greatest of restraining forces, if, with a concert of movement, he act wisely and with proper regard for the needs of his customer and the necessities of the business world at the time.

The Prevention of Waste.

Just here is where his great responsibility occurs. In the first place, it is true that trading should, as far as it is

possible, be actual and real. That is to say, as far as possible it is well not to encourage the fictitious trades that tend so to inflate prices and to unduly swell the demand for credit. This is not the prevention of those trades which may be settled without the actual transfer of stocks. This is a question that we cannot determine, owing to the rights of men to trade when and how they please.

If the intent is good, if it is understood that actual and real purchases are made, albeit they will not in the end demand the actual production of the shares, if their equivalent is paid, it is a question that governments cannot and ought not to settle offhand as to the rights of the parties. But the too close and intimate connection of the banks with daily transactions that have no pretense of being actual or real, and yet which affect the prices of the industrial and railroad securities of the country, and through these the businesses of men everywhere and the general welfare of all the people, is a question that bankers must solve.

How far shall they allow themselves to become interwoven with this form of trading? The effects of this sort of fortune-building are widespread. They act upon the wages of the worker everywhere. They make business good or bad in localities which have no connection with such trading. This is true because when there is a plethora of the fictitious capital here engendered by a false and hollow system of trading, it seeks investment in dubious enterprises that waste the substance of the people. The billions of skrinkage of capital in the prices of stocks in the last year represent no actual loss to the people of the country save that they have given their substance into hands that have wasted it in foolish promoting or experimenting in plants for which there was no demand; have simply allowed their good toil to go to aid the recklessness of those who have frittered it away in unproved and unworthy ventures. This is simply waste. Save and aside from this, nothing real has been lost. A few speculators who put their profits in stable values have grown rich, while the innocent purchasers have grown poor.

But the spirit engendered by this trading, and this apparent though unreal creation of wealth, begets, through the whole line of business down to the smallest dealer, a feeling of enthusiasm that always inevitably carries prices too high above a general average and brings on the conditions that result in panic and subsequent economic readjustment. It is here, with reference to the widespread effect of this trading, that the banker's responsibility becomes great.

That it is most difficult to draw the line must be admitted by all thinking men. There is a limit on either side. There is a golden mean. The banker is better fitted than any other man to discover this and maintain it. Yet the pressure on him to keep business at the pace which it sets for itself is great and he cannot altogether resist it. There is a psychology about the era of prosperity which he is bound to take note of. To be a restraint when others are filled with enthusiasm must work an ill-feeling for himself. And yet, by judicious agreements and practices as to loans on the classes of securities under discussion, bankers may do much to mitigate the stringency that comes with periodic and compelling force.

Nothing need be said in this connection of the right and duty of the banker to frown on the promotion of schemes that have no substance to them, schemes which are gotten up for the purpose of giving men salaries and a chance to sell shares.

The Banker's Power in Business.

It is most important that the banker, however, feel his responsibility to the business interests of the country. He has proven in the late stringency that he is able to carry on the business of the country practically without money. He is the operator of a vast system of credit-making which furnishes the

money of the country. He should insist that the powers which are inherent in the organism he has built up according to the needs and demands of the business of the country be recognized by the Government, and that he be given the power of the issue of a credit currency, according to his own ideas when these shall have become a unit throughout his own profession. He has the power thus to hold and to expand the business of the country.

Yet deeper than his power it must be remembered all the time lie the primal causes of real and helpful prosperity. What a vast saving there is of human labor in the machine! And yet at the very time invention is adding its blessings to mankind it is the cause of idle hands and broken lives because men cannot adjust themselves readily to the new conditions. Still, the people demand the best and discard the old at a moment's notice, regardless of the fact that it turns thousands out of employment. So it is that the mind of man influences prosperity. The other primal factor is the soil and its increase. The aggregated capital of which so many are afraid, affect not the production of the soil in first instance. It will produce in the way the Divine intended and in no other. Man may tickle the soil a little and make it grow after his planting. But he cannot direct the winds and waters of the globe; and he is subject to the laws of nature all the time and everywhere.

To these things business must bow and with it the banker. Yet he can aid. His credit-making power is great. It should be exercised with a due sense of its greatness.

Community of Interest Between the Banks and the People.

These, of course, are general considerations. None knows better than the banker the general bearings of his business. He stands over and above all commerce and finance, and holds the throttle to much of the advance. He is the guide and counselor of countless business men. He can withhold the individual loan and does do so if he deems it unwise as a business venture. He can make or break the force of the bond issues of the corporations, as he is willing to look upon them with favor or frowning in the light of his vast experience and his sense of the trust given him by those who put their money in his keeping. After the sudden change of the current of trade, which we call a panic, is over, he is able to meet all requirements, his business being automatic, rising and falling with the state and demands of trade. He knows all these things, and he uses them in their application to the individual. If communities undertake to float their bonds he has a voice in the sale and purchase. Throughout the realm of credit, even to the minor transactions of small men, he is master.

His responsibility is great. Be it said it is exercised with due regard to the confidence the people have in him, and for the best interests of the people as a whole. No man can truly class the banks and bankers of the country among those influences of so-called wealth that are inimical to the happiness of the individual or of the people as a whole. The people own the banks. Take from them their deposits and they would lose a large part of this credit currency power. They are amenable to the time and place. And the only duty of the officer, be the bank large or small, is to take care of legitimate interests, frown on schemes to catch the unwary, stand for integrity and the faithful discharge of every obligation, and serve his customers with kindness and wisdom. To the people he is servant, not master!

SPRING LAMBS.

I remember, I remember,
  The house where I was shorn;
The hallowed place where little lambs
  Come peeping in at morn;
The playful bears and friendly bulls
  Who wisely counselled me,
And where I bought at 88—
  And sold at 23.

—*Exchange.*

BOND AMORTIZATION IN THEORY AND PRACTICE.

By W. H. Kniffin, Jr.

THE question of bond amortization is not a new one—it is as old as finance and accounting. Just at present, however, it is a subject pre-eminent among the savings bank men of New York state.

Bankers who have had more than usual regard for accuracy in such matters, and who have kept their bond investments according to this idea, will not be disturbed by the current trend of events; but those who have been doing otherwise have doubtless had troublous nights and busy days of late,—all because of a little matter of accounting.

The subject has been treated in these columns before, and in convention and banking circles it has been a frequent subject for discussion. The present "trouble" has all come about because the last legislature did more than pass an anti-gambling law,—it passed some admirable banking legislation, in which was the provision that all savings banks in the state must carry their securities at their investment value, as determined by a proper method of amortization. So far as is known, New York is the only state that requires this, and in so doing, it has considerably improved an already admirable savings bank law.

It is proposed to treat the subject in two parts: First, what is amortization? Second, how to do it.

RATE 6% NETS 5.40
INTEREST DUE Jan. 1st. July 1st.
Date of Issue July 1. 1905
Date of Purchase July 1. 1905
Cost 102.60
Par Value 1000
Premium $260.00

NAME OF BOND City of Wellsville. N.Y.
Issued for Sewers
Where Payable Merchants Bank N.Y.
Average Amortization $26.00
Purchased of Fenwick & Rogerson.

Bonds in Detail						Sinking Fund Computations					Interest Account		
Maturity	When Paid	Series	No.	Amount of Each Bond	Total Amount	Date 1905	Par Value	True Interest	Amortizing	Investment Value	Interest Due 1906	Amt. Due	When Paid
July 1 10		a	1	1000		July 1	10000			10260	Jan 1	300	1/2 06
			2	1000		Jan 1		274	26	10234	July 1	300	7/1 06
			3	1000		July 1		274	26	10208	Jan 1	300	1/2 07
			4	1000		Jan 1		274	26	10182	July 1	300	7/1 07
			5	1000		July 1		274	26	10156	Jan 1	300	1/3 08
			6	1000		Jan 1		274	26	10130	July 1	300	7/2 08
			7	1000		July 1		274	26	10104	Jan 1	300	
			8	1000		Jan 1		274	26	10078	July 1	300	
			9	1000		July 1		274	26	10052	Jan 1	300	
			10	1000	10000	Jan 1		274	26	10026	July 1	300	
						July 1		274	26	10000			
								2740	260			$3000	

Form No. 1.

Form providing for listing the bonds in detail, sinking fund charges and interest account, together with other data. The sinking fund computations are in very good arrangement. This form is in practical use.

THE THEORY OF AMORTIZATION.

According to the Standard Dictionary, amortization means literally to kill; in the field of finance, it means to "extinguish a debt by the creation of a sinking fund." In the matter of bond or stock investments, one of three prices prevails: par, discount, or premium. In the event of a purchase

Name of Bond Glenville School District No. 15 When Issued July 15, 1907
Interest at 5% To Net 4% Payable July 15 Annually Issued for School House
Rate 102.17 When Payable Serially 1908 - 11
Premium [illegible] Discount
Reg. The Coupon Buying Voucher 1-1863 Selling Voucher

Date		Description	Par Value	Cost		Sinking Fund Charges: Gross Interest		True Interest		Deduction Addition		Interest Account: When Due		Amount		When Paid		Bonds in Detail: Maturity			When Paid	Box	No.	Amount each bond
'07 July	15	Bought of Town of Glenville	2000	2043	40	100	00	90	80	9	20	'08 July	15	100	00	July	15	July	15	'08		A	1	500
'08 July	15	Bond due and amort install.	1500	509	20	75	00	67	97	7	03	'09 July	15	75	00	July	15	July	15	'09			2	500
				1534	20													July	15	'10			3	500
'09 July	15	Bond due and amort install.	1000	507	03	50	00	45.	29	4	71	'10 July	15	50	00	July	15	July	15	'11			4	500
				1007	17																			
'10 July	15	Bond due and amort install.	500	504	71	25	00	22	54	2	46	'11 July	15	25	00	July	15							
				502	46	250		226	60	23	40			250										2000
'11 July	15	Bond due and amort install.		502	46																			

Form No. 2.

Form providing for amortization account, interest record, list of bonds in detail, bond account, and full details regarding issue, etc. A complete form.

made at par, one hundred cents will be paid for a dollar's worth, and one hundred cents will be received; in the case of a security purchased at a discount, one hundred cents will *not* be paid for for a nominal dollar's worth, but a *full dollar* will be paid at maturity—if the investment is a good one; should the security be of such nature as to command a premium, *more than a dollar*

SAMPLE SCHEDULE D

TITLE OF BOND BOND OF City of Wellsville
DATE OF ISSUE July 1st. 1905
NUMBERS 1 - 10
INTEREST AT 3 %
INTEREST WHEN PAYABLE Jan. 1. & July 1.
NET INCOME 5 3/4 %
WHERE PAYABLE Knickerbocker Trust Co
HOW PAYABLE ✓
MATURITY July 1st. 1910

Particulars: Date	Voucher		Par Value	Original Cost	Sinking Fund Computations: Interest 3 %	Net Income 5 3/4 %	Amortization	Book Value: Dr.	Cr.	Balance	Market Value
'05 July 1	F-92	To bonds bo't	10000	$ 882						$ 8820	
'06 Jan. 1					$ 150		$ 118 00			8938	
July 1					150		118 00			9056	
'07 Jan. 1					150		118 00			9174	
July 1					150		118 00			9292	
'08 Jan. 1					150		118 00			9410	
July 1					150		118 00			9528	
'09 Jan. 1					150		118 00			9646	
July 1					150		118 00			9764	
'10 Jan. 1					150		118 00			9882	
July 1					150		118 00			1000	
					1500		1180				

Form No. 3.

Form suggested by New York State Banking Department. A 3 per cent., 5 year bond at a discount to net 5.75. Average method used. For scientific method see table. Not as good a form as No. 1.

SUMMARY of INTEREST and SINKING FUND COMPUTATIONS

Period Ending July 1, '08

Date 1908		Description	No. Bonds	Amount	Interest Due Dates	Gross Rate	Net Rate	Accrued	Amortization Reduction	Accumulation	Holding Value Investment	Market
July	1	Glenville School (Form 2)	4	2000	July 15	5	4½	95 50	9 20		1510 20	
		Hallville City's (Form 1)	10	10000	J & J	6	5.40	300 00	26		10130 00	
		Hallville City 3s (Form 4)	10	10000	J & J	"	5¾	150 00		118 00	9528	

Form No. 4.

Summary of interest accumulations and reductions together with accrued interest. The items can be computed on the amortization sheets at leisure during the period, and at the end the same assembled in the general summary, from which the report to the department can be made.

must be paid for a dollar's face value, and *only one hundred cents* will come back to the owner at maturity.

Now what to do with the gain on one hand, and the loss on the other, is the question amortization would solve, and solve correctly. It will require no long argument to demonstrate that the full amount of the discount,—the profit, should not be added at a single time, either at the beginning or at the end of the life of the investment. Likewise, the loss in the shape of the premium paid, should not be deducted at a single stroke, although instances are on every hand where this is the custom. There is a better way: *keep books with this profit, or this loss,*—and amortization is "just keeping books." The accretion, on the one hand, and the deduction, on the other, belong in a series of years, in small amounts, with justice and the square deal for all. To add the profit, or to subtract the loss and do it properly—*that is amortization.*

AMORTIZATION IN PRACTICE.

In buying a bond or a stock for investment purposes, it is supposed to be held until maturity. The same income will prevail during its life and the correct value at any given date before or after purchase can be correctly ascertained. Only a sale of the security will alter the computation.

BOND OF New York City

DESIGNATION Revenue's — INTEREST PAYABLE Jan & July

NUMBERS 1-10 — DENOMINATIONS 1000 — MATURITY July 1-10 — HOW PAYABLE Reg.

INTEREST 6%

NET INCOME 5.40%

Date 1905			Particulars	Interest at 6%	Net Income at 5.40%	Reduction Accumulation	Investment Value Dr.	Cr.	Balance	Par Value
July	1		To Bonds Bought				10260 00		10260	$10000
Jan	1	'06	Interest	300 00	274 00	26 00		26 00	10234	
July	1	'06	" "	300 00	274 00	26 00		26 00	10208	
Jan	1	'07	" "	300 00	274 00	26 00		26 00	10182	
July	1	'07	" "	300 00	274 00	26 00		26 00	10156	
"	"	"	Bond Due					1000	9156	$9000

Form No. 5.

A simple form with sinking fund charges, with bonds kept in debit, credit and balance form. A very good form.

In thus "keeping books" with the profit or loss, one of three courses is open: First, *charge profit and loss account* with the amount of the premium at the time of purchase; or, *credit the discount to profit and loss,*—neither of which is correct or logical.

Second, *charge the premium by averages,* or pro rata; or, *credit the discount,* likewise.

Third, *charge the premium in such amounts* that each year will bear its proper proportion of the loss; or, *credit the discount in such amounts* that each year will have its due share of such profits.

Of the last two, the average, or pro rata method is the simpler and entails far less labor than does the last mentioned. The New York State Bank Department will accept this method. for example. Here is a six per cent. bond, five years to run, interest semi-annually. If it were to be bought to net the investor 5.40, by turning to the convenient little book of bond tables, the rate would be found to be 102.60, or $10,260 for a block of ten bonds. There are ten interest periods, and following the above rule, we divide the $260.00 by 10, having $26.00 as the proper charge against each year.

It will be noted that the true or actual interest is the interest received, less the amortization; or, the amount invested X the net rate, which will be the net income on the whole amount invested. This will not be absolutely correct unless the scientific method is used. (See Table 3.) In the case of serial bonds the average method is not so well adapted, and this will be explained later.

TABLE No. 1—AVERAGE OR PRO RATA METHOD OF AMORTIZATION.

6% Bond on a 5.40 basis, 5 years to run.. Interest due semi-annually.

For method of ascertaining the amortization see text.

Date.		Cost.	Par value.	Interest (Gross).	Interest (True).	Amortization.	Investment Value (Book value).	Market Value.*
1905	July 1	$10,260	$10,000				$10,260	
1906	Jan. 1			$300	$274	$26	10,234	
	July 1			300	274	26	10,208	
1907	Jan. 1			300	274	26	10,182	
	July 1			300	274	26	10,156	
1908	Jan. 1			300	274	26	10,130	
	July 1			300	274	26	10,104	
1909	Jan. 1			300	274	26	10,078	
	July 1			300	274	26	10,052	
1910	Jan. 1			300	274	26	10,026	
	July 1			300	274	26	10,000	Bond due
				$3,000	$2,740	$260		

* The market value and investment or book value are not identical. The market value is the price the bonds would bring if sold. It might be more, or less, than the value ascertained by amortization, depending upon market conditions.

The idea is simply this: If a bond carries a premium or a discount, ascertain how many interest periods there will be during its life, and divide the discount, or the premium by the number of periods, and the result is the proper charge against, or the proper credit to each of the various years. Not absolutely correct, but near enough for all ordinary purposes. Take Table 1,

In the matter of bonds at a discount, the case is reversed, and *Form* No. 3 (not Table 3) will show the accretions according to this method. The addition to the investment, or holding value, is uniform each period until the bond stands exactly at par when due —the amount that will be received for it.

In amortizing from an accurate

Table No. 2—Amortization of Bond at Discount.

Scientific Method.

3% Bond on 5.75 basis, 5 years to run.

Date.		Cost.	Par value.	True Interest.	Interest Rec'd.	Amortization (Accumulation.)	Investment or Book Value.
1905	July 1	$8,820	$10,000				$8,820.00
1906	Jan. 1			$253.07	$150	$103.07	8,923.07
	July 1			256.53	150	106.53	9,029.60
1907	Jan. 1			259.60	150	109.60	9,139.20
	July 1			262.72	150	112.72	9,251.92
1908	Jan. 1			265.47	150	115.47	9,367.39
	July 1			269.30	150	119.30	9,486.69
1909	Jan. 1			272.22	150	122.22	9,608.91
	July 1			276.23	150	126.23	9,735.14
1910	Jan. 1			279.88	150	129.88	9,865.02
	July 1			283.09	150	133.09 +1.89*	$10,000.00 bonds due
				$2,678.11		$1,180.00	

NOTE—Had the price $8,820 been absolutely correct, the problem would have worked out correctly without this balance. Same table used for cost price as in Table 3, but the computation is independent of tables. Rule: Multiply the Investment Value by the net rate, which gives the true interest. Subtract Interest Received and the difference is the accumulation or reduction.

standpoint, more detail and additional labor is required, but in large issues, it is much the better way. Here the actual value, at the purchase rate is ascertained to a nicety. This result may be accomplished, either by using the bond tables (the ordinary tables do not carry out the decimals far enough to get the accurate cost price, without which the problem will not balance), or by taking the cost as the multiplicand and multiplying this by the income, or net rate, which will give the true interest; this subtracted from the interest received will give the amortization. If the bond tables are used it is a simple matter of finding proper pages and columns. Table No. 2 will show this as applied to a bond at a discount, by the proper method. By comparing Table No. 2 with *form 3*, it will be seen that *the average* amortization is $118.00, while the true method gives but $103.07 for the first period and $134.98 for the last.

The case of serial bonds is somewhat different. In order to get the correct cost price, it will not do to say: "This lot averages six years," and turn to the bond table at the six-year-page, and get the rate. The cost of one bond for one year, the next for two, the next for three, and so on, must be found and added together—then the price will amortize correctly to a cent.

To get the proper amortization charge against the Glenville Bonds by the pro rata method, as in *form 2*, we take the premium, $23.40 and divide by the time to run, $2\frac{1}{2}$ years, and we get $9.36 as the proper amortization charge for each year. But they are serial and the full amount is only working during the first year, and as the bonds mature, less and less in amount is invested; we can get the correct amount in this way:

Out of the first year's earnings, we take 4-4 of the average amortization (4 bonds are alive)	9.36
Out of the second period, we take 3-4 of the average amort. (3 bonds are alive)	7.02
Out of the third period, we take 2-4 of the average amort. (2 bonds are alive)	4.68
Out of the fourth period, we take 1-4 of the average amort.	2.34
We have the result, 10-4, or 2½ and the full premium returned	23.40

The rule for amortizing a serial bond as suggested above and recommended by the New York Banking

TABLE No. 3—SCIENTIFIC METHOD OF AMORTIZATION.

6% Bond having 5 years to run, on a 5.40 basis.

(Values at the different periods from the Bond Tables of Montgomery Rollins.)

Date.		Cost or Market Value.	Par value.	Interest Rec'd.	True Interest	Amortization	Book or Investment Value.
1905	July 1	$10,260	$10,000				$10,260
1906	Jan. 1			$300	$277	$23	10,237
	July 1			300	276	24	10,213
1907	Jan. 1			300	276	24	10,189
	July 1			300	275	25	10,164
1908	Jan. 1			300	275	25	10,139
	July 1			300	273	27	10,112
1909	Jan. 1			300	273	27	10,085
	July 1			300	273	27	10,058
1910	Jan. 1			300	271	29	10.029
	July 1			300	271	29	10,000 bonds due
				$3,000	$2,740	$260	

NOTE—The tables referred to above are extended to two decimals only. If an "extended bond table" had been used, the above amortization charge would have been expressed in cents also.

Department is:—1. Divide the premium or the discount by the average time to run, which will give the amortization charge for the first year. 2. Divide this amount by the number of bonds in the series and the quotient will be the amount to deduct each year, from the preceding year's amortization. This works admirably in cases where the bonds begin to mature from date of issue or purchase, and is almost as correct in its results as the scientific method.

But in cases where one or more years elapse before the series begins to fall due, it will not work. In such instances, the amortization for the first year will be the amortization for each year until the bonds begin to mature. To illustrate: A series of bonds issued in 1907, the first maturity falling on July 1, 1912, and running

TABLE No 4—AMORTIZATION OF SERIAL BONDS.

5% Bond, due serially, 1 to 4 years (average 2½ years), on 4½ basis—Scientific Method.

Date.		Par value.	Cost.	Gross Interest.	True Interest.	Amortization.	Investment Value.
1907	July 15	$2,000	$2,023.40				$2,023.40
1908	Jan. 15			$50.00	$45.45	$4.55	2,018.85
	July 15			50.00	45.35	4.65	1,514.20
1909	Jan. 15			37.50	34.03	3.47	1,510.73
	July 15			37.50	33.94	3.56	1,007.17
1910	Jan. 15			25.00	22.68	2.32	1,004.85
	July 15			25.00	22.61	2.39	502.46
1911	Jan. 15			12.50	11.30	1.20	501.26
	July 15			12.50	11.24	1.26	500.00 bond due

Same example as in form 2. To get the average amortization on a serial bond, divide the premium by the average number of years to run, which gives the amortization for the first year. Of this amount, take as many parts as there are bonds unmatured for each year. (See text.) Or, we may divide the premium $23.40 by 2½, the number of years to maturity (average), which gives $9.36, which is the first amortization. There being one bond matured the first year, for the second, the amortization will be $9.36 less one-quarter of $2.34, giving $7.02 as the proper charge for the second year. The third year has $7.02 less one-quarter of the $9.36, $2.34, or $4.68 for the third year; for the fourth year, we have $4.68 less one-quarter, $2.34, or $2.34 for the last year. The sum of which makes $23.40.

TABLE NO. 5—CONTRAST BETWEEN THE SCIENTIFIC AND PRO RATA METHODS.

4.40 *Serial Bond, due* 1912-1921, *on* 4½ *basis, average* 9½ *years.. Average amortization* 15.27. *Premium* $14.50.* *Purchased* 1907.

	SCIENTIFIC.			PRO RATA.	
	Amortization.	Premium.		Amortization.	Premium.
		$145.00*			$145.00
1908	*$12.73*	132.27	1908	*$15.27*	129.73
1909	*13.29*	118.98	1909	*15.27*	114.46
1910	*13.87*	105.11	1910	*15.27*	99.19
1911	*14.47*	90.64	1911	*15.27*	83.92
1912	*15.13*	75.51	1912	*15.27*	68.65
1913	*13.89*	61.62	1913	*13.74*	54.91
1914	*12.56*	49.06	1914	*12.21*	42.70
1915	*11.18*	37.88	1915	*10.68*	32.02
1916	*9.83*	28.05	1916	*9.15*	22.87
1917	*8.35*	19.70	1917	*7.62*	15.25
1918	*6.80*	12.90	1918	*6.09*	9.16
1919	*5.15*	7.75	1919	*4.56*	4.60
1920	*3.48*	4.27	1920	*2.03*	1.57
1921	*1.72*	2.55*	1921	*1.57***	
	$142.45			*$145.00*	

* This will illustrate the point made in the body of the article regarding the rate on serial bonds. This rate was obtained by taking the average time and getting the rate for that time from the table. A residue of $2.55 is left, showing the price to have been inaccurate. Had the price for each bond been obtained and added together, the result would have been correct. The correctness of the rate does not effect the pro-rata amortization.

** Seven cents overplus added to last amortization.

serially to 1921. The average is 9½ years. This divided into the premium, $145.00 gives $15.27 as the proper charge for the first year. This is also the charge for each year up to, and including 1912, after which $1.53 must be taken off each year.

Table 5 is a contrast between the scientific method and the pro rata, and will show how closely the one follows the other according to this idea. If the Bank Department rule were followed, it would not amortize nearer than $87.82.

All very nice, when the bonds are of recent purchase and the operation can be done from the beginning, but when some time has elapsed since the purchase, the process is a little more tiresome. Presuming we were required to furnish this data on July 1st, 1908 (which was the case), and we desired the amortized value of the bonds in the first table, first by the average, then by the scientific method. We go at it this way:—Not including the current six months, five periods have elapsed since the time of purchase. Presuming that no amortization has been previously provided for, we first ascertain the average amortization for each period, and multiply this by the number of periods (5) and we have as a result, $130.00. If the table (1) be consulted, it will be seen that if this amount be deducted from the original cost, it will leave $10,130 as the holding value on Jan. 1, 1908. If the charge for the current period be deducted also, we get $10,104—the amount the bonds are worth at their amortized value on July 1st, 1908.

Should the scientific method be preferred, the easiest way is to first get the time the bonds have to run before maturity. Taking the rate of the issue, and the net income, by turning to the bond table, the correct rate may easily be found, and this will represent the amortized value at the present time.

Having acquainted ourselves with the present value of the bond invest-

ments, the next thing to do is to get the books to correspond with the new valuation. Bonds bought below par and still carrying the same book value must be charged with the difference in value. Those purchased at discount, and the profit immediately credited must be reduced to the present holding value. Those purchased at a premium and this premium immediately charged off, must have the difference charged back to them. If still held at cost, they, too, must be reduced to meet the new valuation. In each event, the proper entry must be made against profit and loss account. If desired the entries may be made through Premium Account, and the difference adjusted in the profit and loss account.

All this will necessitate new forms. Those reproduced herewith are offered merely as suggestive, for each one will have notions of his own, that no stock form will meet. Simplicity should be the aim, yet have the data complete. Most of the forms that have come to the writer's attention have no provision for the interest accounting, which would seem to be of some importance, as it is part of the record, and must be kept somewhere; the bond account would seem to be the place. If kept in the amortization ledger, nothing but the principal account need appear on the general ledger. Form 1 covers everything but provision for selling the bonds; form 2 has this provided for. The two may be combined if desired.

Whatever the form or method selected, it will mean much careful work if the bond holdings are large, but once done it will be worth the time and trouble it has caused, and it is the only correct test of earning capacity. In no other way can the savings bank man know the exact condition of his bank. Some will welcome it; others condemn and criticise it,—but all (in New York) will have to do it, one way or t'other, just the same.

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NAME NOT FOR SALE.

GROVER CLEVELAND'S long and active life was replete with incidents that impressed themselves upon the minds of his friends and served to illustrate his character. One of these concerned an offer made him to become president of one of the large New York trust companies.

A committee of officials of the trust company, waited upon Mr. Cleveland after his retirement from the White House and urged that he accept the presidency of this concern. He told the committee that he was totally unversed in the ways of bankers, and that he would be of no use whatever to the trust company. Then he said point blank that he would not accept. In a comparatively short time the committee visited him again. The spokesman said to him, in effect:

"Mr. Cleveland, while we recognize that there is a great deal of truth in what you told us about your not understanding banking and being therefore unfitted for the presidency of our company, we nevertheless feel that the bank will be greatly benefited through having the advantage of your judgment and intellect, and we are so sure that this is the case that we are willing to pay you $50,000."

It had been assumed that this handsome offer, made at a time when Mr. Cleveland was none too well off, would have the effect of making him change his mind. It had the opposite effect, however.

"So," said Mr. Cleveland, shortly. "Well, gentlemen, I long ago determined not to sell the influence of my name, and I don't intend to depart from that determination. Thank you."—*New York Times.*

MUST BE TRUE TO HIGH PRINCIPLES.

TO a certain element within the Republican party, who seek to use that organization to advance their private interests, the following extract from a recent letter written by Governor Hughes of New York is earnestly commended:

> The Republican party has unexampled opportunity and is under the heaviest obligations to the people. Upon its courage, its wisdom, and its devotion to rational progress largely depend the future welfare of the country. It must stand against every attempt to corrupt administration, against every form of special privilege at the expense of public right, against every effort to control the working of our institutions for selfish advantage. It must continue to represent good sense in opposition to demagogical follies and whimsies. It must stand for constitutional rule and for the maintenance of law and order.
>
> It must be a people's party in the truest sense, ever exhibiting sincere interest in the common welfare and attachment to the principles of honest representative government, which is the foundation of all progress and the security of thrift and industry.

A VALUABLE ADJUNCT TO A SAVINGS BANK.

By Andrew Price.

IN conjunction with their efforts to increase and enlarge the scope of their business, the progressive savings banks of the country are spending large amounts in advertising, in the attempt to educate the people in the importance of thrift. Thus we can hardly pick up a newspaper or magazine but the words "Economize," "Be Thrifty," "Start Saving Now," or countless other similar expressions catch our eye. Yet, for all this, conditions seem to be about the same as formerly and there appear to be as many poor and destitute in our cities. But this apparent lack of results by no means proves that the banks are on the wrong tack in attempting to educate the public, only, that they have not selected a receptive class of pupils. They are only mistaken in trying to teach a man of mature years how and why to save, for it is as hard to do this as it is to break an old dog of bad tricks. A man whose habits are all formed and who has felt the burden and responsibility of a family for a number of years, finds it difficult to change his plan of living, even though he realizes his errors.

The Saving Habit Should Be Formed Early.

However, it is entirely different with a child, for he is susceptible to any influence that is brought to bear upon him, and when shown the sins of extravagance and made to realize the pain and deprivations which are attendant upon wanton waste, he readily concurs in all endeavors to better his condition, and as a result acquires the habit of thrift. Thus we see the salvation of the bank and all commercial enterprises to a great extent lies in the education of the child, and that by his instruction along proper lines the result will be obtained which has long been sought for by banks.

This fact was appreciated by the Germans some eighty-seven years ago, when there was established in Geslar a system of School Savings Banks, which has since been adopted by all the leading countries of Europe. The wonderful success of the plan abroad attracted the attention of prominent bankers and educators in the United States, and as a result it was established here in 1885. Since that time its growth has been phenomenal; the plan having been adopted by more than 1098 schools in 113 cities in 22 states up to January 1, 1907. Its principal value to the people as a whole, and the one for which it was created, is the teaching of thrift, but it has proven profitable to savings banks in another respect, which is as a growing asset.

The great problem of savings banks is how to reach and come in close contact with the people. Many schemes have been evolved; many plans tried and many theories advanced for the accomplishment of these results, yet the question still troubles the minds of many. We have often heard stories of successful insurance agents and their ability to get hold of the very heartstrings of a man by merely mentioning the name of his child, and thus write a large policy, but few of us have

thought out the reason for this. It is simply the appealing to a man through that which is nearest and dearest to him—his child. Nature has given to every parent a love peculiar to itself; the love that sacrifices all for the object of its affection. And we see there really is a wonderful and eternal force which the insurance agent, like many others, had blundered upon and which, it is true, is often abused. However, a proper use of this element can be made to be very beneficial to a savings bank.

The general interest in the development and growth of the younger generation causes the adults to be daily familiar with their actions, so that when the child comes home with his little school savings bank deposit book, the parent naturally takes a great deal of interest and pleasure in inspecting it, as well as all printed matter the depository of the school savings bank may publish. Not only does this apply to the parent, but to most of the relatives and friends of the little depositor.

So, we see the bank which incorporates a system of school savings banks, or is made the depository of such a system, has the entree into the very heart of the homes of the mass of the people; that every school child, though ignorant of the fact, is the most valuable advertising agent the bank could have, for he at all times has the privilege of an audience with his parents and grown-up friends, and by merely manifesting his interest in the savings bank wins the interest of those to whom he talks. The results of this can only be estimated at best. Not only does the bank receive the account of the child, which in itself is worthy of notice, but it often receives the business of the child's parents and friends. All the time it is building for "future business," the business of the boy when he has grown to be a man, while the system is a constant, inexpensive and most profitable advertising medium. Moreover, many parents who are kept from depositing their small savings merely on account of pride, have their children act as their agents in so doing. School savings banks therefore bring the concern which they represent in contact with this class whom it has previously been impossible to reach.

As above stated, the deposit of the child is worthy of notice. The aggregate of school savings deposits of one Pittsburg bank amounts to more than $138,000. So profitable has this bank found this class of business that between the years 1898 and 1907 they had been instrumental in establishing the system in fifteen cities and towns, in which there were eighty-six schools and 1226 teachers. Their literature has been distributed among the homes by more than 57,500 students, of which number 33,685 were depositors.

It is impossible to know the exact results of this widespread publicity, yet it is safe to say that the bank owes a large share of its business other than school deposits, to the system of school savings banks.

Strange as it may seem, it is the consensus that children depositors are one of the most satisfactory classes to a bank. In the recent financial disturbance, bankers had the least trouble with the children depositors; and, unlike the other lines of deposits, these accounts increased during that period.

The amount of withdrawals by the children is always small and they occur very seldom. The account is practically constant and a bank can almost figure to a dollar the amount it will have to pay during a specified time, the knowledge of which fact is very beneficial.

School savings banks are all based upon the same fundamental principle and differ only in operation. The Thiry System, which is in most common use, was deduced from the most successful European plans. It is simply the depositing of the savings of pupils with their teacher on a specified day each week. The teacher gives them credit on a blank provided for that purpose and directly or indirectly turns the money over to a local bank, which pays for the necessary station-

ery, etc. The deposit slips are filled out by each individual pupil and the whole procedure requires about ten minutes or less per week. As it is a regular part of the school routine, no extra work is forced upon the teacher. Mr. Samuel Andrews, Superintendent of the Pittsburg Schools, says in a letter written December 17, 1907: "We have had school savings bank accounts for a number of years and the teachers, pupils and parents are all enthusiastic about the same." This proves the system adaptable to a city with a large number of schools. Spokane, Washington, uses practically the same plan in her twenty-one school houses as do the fifty-nine schools of Kansas City, Missouri, the twenty-two schools of Long Island City, New York, and many others throughout the country.

Another plan, a rather later creation, is the Stamp System, which differs from the one just referred to, only in that the teacher when receiving the deposits of pupils gives them stamps, which they stick on folders provided for the purpose, instead of a receipt or crediting the amount in books. This method has been adopted in the schools of Grand Rapids and other cities of Michigan and elsewhere. It is very successful, and especially attractive to the young depositors on account of the colored stamps, which seem to fascinate them.

Aside from any pecuniary interest banks may have in the plan of school savings banks, they are interested in them on account of their great civic force, for, as a result of their incorporation. pauperism is reduced and the consequent expense to the public necessary to keep this class. It aids greatly in the checking of all evil habits, and above all puts a check upon the alarming increase of the non-producing class, by educating the children to be producers and savers, and thereby helps in the idealization of American citizenship.

In conclusion; these institutions are most valuable adjuncts to savings banks. They bring the bank in the closest and most agreeable connection with the public. They act as a constant source of deposits, and are an everlasting and ideal advertising medium, at minimum cost. Their deposits are constant. They educate the public along lines which improve the moral, mental and financial status of the people. They are a great philanthropic enterprise and therefore appeal to every high-minded banker. They build for future business.

CHANGES IN THE SAVINGS BANK LAWS OF MASSACHUSETTS.

THROUGH the courtesy of Hon. Pierre Jay, Savings Bank Commissioner of Massachusetts, we are able to present the following information respecting changes recently made in the laws of Massachusetts relating to savings banks:

Closer Supervision.

Closer supervisory powers are given to the bank commissioner than at present exist; the unauthorized banking law is broadened to cover forms of banking not heretofore included; and all trust companies, instead of only those incorporated before January 1, 1905, are allowed to receive savings deposits, in view of the fact that a law has been passed requiring trust companies which receive savings deposits to keep them in a separate department and invest them under the savings bank law.

Incorporation of Savings Banks.

Heretofore all savings banks have been specially chartered by the Legislature, but the bill provides that in future they may be incorporated in the same manner as trust companies and co-operative banks, by authority of a board composed of the Bank Commissioner, the Treasurer and Receiver-General and the Commissioner of Corporations.

Duties of Boards of Investment.

The duties of boards of investment are carefully described, and it is made obliga-

tory upon such boards to approve all loans made by their bank, all changes in the property or security pledged therefor, and all changes in rates of interest charged for the loans; also to approve all purchases or sales of bonds, stocks and notes and to hold a meeting at least once in each month.

It is also provided that there shall be an auditing committee who shall make a thorough audit of the books, securities and cash of the savings bank at least once in each year.

Branches Authorized.

One of the especially important changes is the permission to savings banks to receive deposits at places other than their banking houses. This means the authority to establish branches, although such branches may only receive deposits, not make payments. It is stated in the report of the committee that there are 226 towns in Massachusetts in which there are no savings banks, and that this will permit a savings bank to send its treasurer, or other representative, to neighboring towns or to large manufacturing plants, say once a week, in order to collect deposits, and in this way encourage thrift and make it as easy as possible for people to put their money into savings banks.

Miscellaneous Provisions.

A provision has been added authorizing banks, in the case of lost pass-books, to issue duplicate books after a proper period of advertisement, instead of requiring the depositor to furnish a bond as at present.

Members of boards of investment or officers charged with the duty of investing the funds of a savings bank have never been allowed to borrow individually from their bank, but the new law prevents them also from borrowing for a trust estate or property of which they are trustee.

The amount of deposit upon which the banks may allow interest has been raised from $1,600 to $2,000, and the deposits of labor unions and sinking funds of cities and towns in Massachusetts have been added to the list of deposits which shall not be bound by the $2,000 limit.

Extra dividends are required to be paid after the surplus reaches 10 per cent. as heretofore, but will be smaller in amount and presumably more frequent.

Provisions are also made that, if necessary to pay its depositors, a savings bank may borrow money.

Investments.

A number of important changes are made in the investment section, as follows:

Loans on unimproved and unproductive real estate shall not exceed 40 per cent. of the value of such real estate.

It is provided that the board of investment must formally revalue all properties upon which their bank holds mortgages, at least once in five years, in order to ascertain whether they have depreciated in value.

Water districts outside of Massachusetts must have at least 5,000 inhabitants in order that their bonds may become legal, and bonds of cities of over 200,000 inhabitants may be legal, although the debt is seven per cent. of the valuation, whereas in smaller cities the debt may be only five per cent. of the valuation.

The existing law legalizing railroad bonds consists almost entirely of special legislation in which certain specific railroads are mentioned by name. The railroad bond law in the new law is entirely general and no railroads whatever are mentioned in it. It sets certain definite standards, and the bonds of any road complying with them automatically become legal for investment. The provisions are contained in three paragraphs.

(1) Massachusetts railroads;
(2) New England railroads;
(3) Other railroads.

The standards are briefly as follows:

For Massachusetts railroads, the bonds or notes issued under the authority of the Commonwealth of a railroad company which has paid four per cent. dividends for five years.

For New England railroads, the first mortgage bonds of railroads which have paid four per cent. dividends for more than five years.

For other railroads, first or refunding mortgage bonds of railroads which have paid dividends of four per cent. for ten years, provided the railroad owns 500 miles of railway, or, if it owns less, that its gross earnings are not less than $15,000,000 a year.

It will be seen that the provisions relating to "other railroads" are more strict that those of "New England railroads," and that those of "New England railroads" are more strict than those of "Massachusetts railroads."

In drawing the section providing for the legalizing of bonds of railroads operating in any part of the United States, a number of supplementary provisions, other than those mentioned above, have been inserted to make it certain that only railroads of the highest credit, and that only the best bonds which they issue, can comply with the new standards. The bonds of only one railroad will be legalized at once by the passage of the law, namely, the Chicago, St. Paul, Minneapolis & Omaha, but it is probable that three others will become legal under its provisions before the end of the present year, namely, Central Railroad of New Jersey, Chicago,

Milwaukee & St. Paul railroad and Chicago, Rock Island & Pacific railway.

The law contains a provision that the banks may continue to hold, and to further invest in, any issue of bonds or notes dated prior to the passage of the bill in which they were then authorized to invest.

After the bill had been reported by the committee, it was amended in the Senate to permit investment in the collateral trust four and one-half per cent. bonds of 1929 of the American Telephone and Telegraph Co.

Deposits in National Banks.

The amount of money which a savings bank may deposit in any national bank or trust company has been reduced from five per cent. of its deposits to two and one-half per cent. of its deposits, but in no case shall such a deposit exceed $500,000, nor twenty-five per cent. of the capital stock and surplus of the depositary.

Loans on Personal Security.

The provision relating to loans on personal security has been materially changed to conform to the best practice in the savings banks at the present time. The present law, passed in 1834, permits one-third of the assets of a savings bank to be invested in loans to three individuals—what is commonly known as the "three name paper." The bill reduces the amount which may be loaned to any one person on this form of note from five per cent. of the deposits of a savings bank to one per cent. of its deposits and requires that all three parties to the notes shall be responsible.

Loans to Corporations.

Loans to corporations are permitted with one substantial surety or indorser, provided that the borrowing corporation has been thoroughly audited by an accountant approved by the bank commissioner. One-year notes of Massachusetts public service corporations which have been proved to have a substantial earning capacity, are permitted without surety, as are also one-year notes of railroads which have complied with the standards set under the railroad bond section, and, lastly, notes of responsible borrowers with a pledge as collateral of approved securities.

Investment in Bank Building.

A sum not exceeding the guaranty fund and undivided earnings of a savings bank, instead of five per cent. of its deposits, as at present, may, subject to the approval of the Bank Commissioner, be invested in a bank building.

List of Securities to be Published.

On the first day of February in each year the Bank Commissioner is obliged to prepare and publish a list of all railroad and street railway bonds and notes which are at that time legal investments for Massachusetts savings banks.

NEW COUNTERFEIT $10 NATIONAL BANK NOTE.

SERIES of 1902, issue of February 25, 1903, check letter M, on the First National Bank of the City of New York, Charter No. 29, portrait of McKinley; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer. The sample bears the Treasury No. K54672 and the bank number 292842, is a poorly executed photo-mechanical production on three pieces of paper, the back and front being printed on India tissue pasted to a heavy middle sheet with a few silk threads pasted between the face and middle sheet. The title under the portrait reads "WILLAM McKINLEY," the second "I" in the first name having been omitted. In the descriptive text in the scroll panel left back of note, the word "PAYMENT," at the end of the second line, appears in the counterfeit "PAVMENT," and in the scroll panel right back of note the first word in the last line of the text reads in the counterfeit "EXCPTD," instead of "EXCEPT," as in the genuine. The lathe work, both face and back, is very scratchy, and while the general appearance of the note is deceptive it should attract the instant attention of the experienced handler of money.

Cashier Frank Pfeiffer of the First National Bank of Kemmerer, Wyo., furnished the first sample of this counterfeit.

TRANSPORTATION OF FRACTIONAL SILVER COIN.

THE Secretary of the Treasury has issued a circular letter carrying into effect the act passed by the last session of Congress regarding the transportation of fractional silver coin.

In his circular, the Secretary says that "such fractional silver will on and after July 1, 1908, be sent by registered mail, at the risk of the consignee, in packages of $50, registration free, from the most convenient Treasury office, upon the deposit of an equivalent sum in United States currency or national bank notes with the Treasurer, or any assistant treasurer, or national bank depositary. After one-half of the appropriation shall have been used in transporting by registered mail, fractional silver coin may then be sent at the expense of the Government, either by express or registered mail, as the consignees may request."

PRACTICAL BANKING

MEXICO AND ITS BANKING FACILITIES.

By James P. Gardner.

WITH the increase of trade relationships between the United States and Mexico there is a growing demand for better collection facilities.

The clause "with exchange and collection charges," which is usually inserted in drafts for collection in the United States, is not valid in Mexico, unless the buyer signs an order for his purchases with that clause inserted in the contract. In such cases it is generally understood that the drawer of the draft will notify the collecting bank of such a contract when sending drafts for collection. On Mexico City items remittances are made at one-quarter of one per cent., except where such clauses are inserted in the drafts. In these cases the parties drawn on usually insist on paying the face of the draft in American money or New York exchange. In all such cases charges for Government stamps are deducted at the rate of ten cents per thousand, which are required to be put on all collections made, to the extent of the amount of the draft, for its equivalent in Mexican money.

Items on Vera Cruz, San Luis Potosi, Ciudad Porfirio Diaz, Orizaba and Oaxaca, are generally handled on the basis of one-quarter of one per cent. gold, on the gold value of the draft, with a minimum charge of twenty-five cents gold.

Items on Monterrey, Tampico, Torreon, Chihuahua, Aguascalientes, Guanajuato, Guadalajara, Puebla, El Oro, Paral, Teziutlan, Toluca and Gomez Palacio, are handled on a basis of one-half of one per cent. gold, on the gold value of the draft, with a minimum charge of fifty cents gold.

Items on Merida, Campeche, Progreso, Morelia, Mazatlan, Saltillo, and Silao, are handled on a basis of three-quarters of one per cent. gold, on the gold value of the draft, with a minimum charge of seventy-five cents gold.

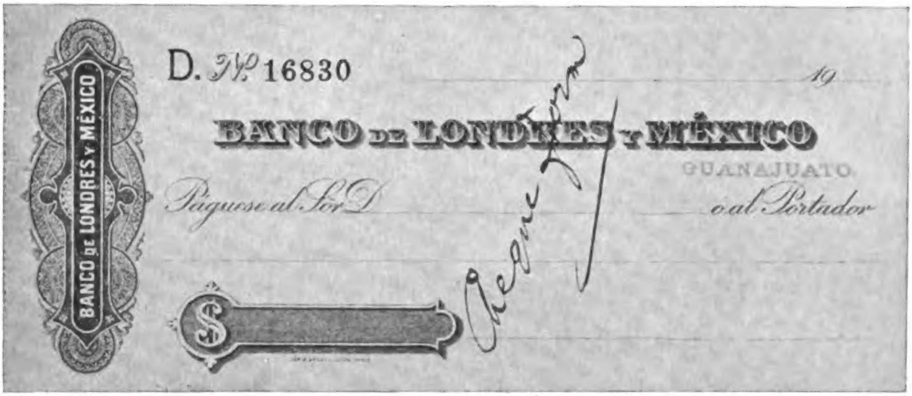
Care should be taken in drawing up drafts on Mexico always to state if payable in Mexican or in United States currency.

INDORSEMENTS IN MEXICO.

ACCORDING to Mexican law checks are only payable to the bearer or to the person in whose favor they are drawn. Prior to October, 1906, it had gradually become the custom to endorse checks, thereby converting them into drafts, in view of which the Treasury Department issued a circular insisting on strict compliance with the law, which prohibits an endorsement of any kind on checks.

Endorsable documents require extra stamps, and are usually drawn upon special draft forms; the two forms of check and draft are herewith given.

According to the Mexican stamp law, checks only require a five-cent stamp for any amount drawn for, but an en-



BANCO DE LONDRES Y MEXICO

D. Nº 16830 19

BANCO DE LONDRES Y MÉXICO

GUANAJUATO

Páguese al Sor. D ó al Portador

$

Cheque Form

1.—Check Form.

dorsable document, or draft, requires stamps at the rate of one cent for every hundred dollars or fraction of hundred dollars; therefore, although a check for $15,000 requires only a five-cent stamp, a draft for said amount must bear stamps for $1.50. This example will explain why checks are not endorsable from one party to another.

TIMING NOTES.

THE question of the maturity of a note payable "so many days after date," or "so many months after date," often causes confusion where the maturity falls on the last day of the month. For example, a note dated June 30, payable one month after date, will fall due July 30. An exact wording of the New York law on the subject is given below, and also one or two typical cases which will serve to correct any ambiguity:

"A number of months after or before a certain day shall be computed by counting such number of calendar months from such day, exclusive of the calendar month in which such day occurs, and shall include the day of the month in last month so counted, having the same numerical order in days of the month as the day from which the computation is made, unless there be not so many days in the last month so counted, in which case the period computed shall expire with the last day of the month so counted."—(Extract from Statutory Construction Act.)

BANCO DE LONDRES Y MEXICO

Banco de Londres y Mexico.

de 19 Por $

A la vista se servirán Uds. mandar pagar por esta Unica de Cambio

á la órden de

la cantidad de

Valor en cuenta según aviso de S.S.

Al Banco de Londres y México

Nº B125051 GUANAJUATO.

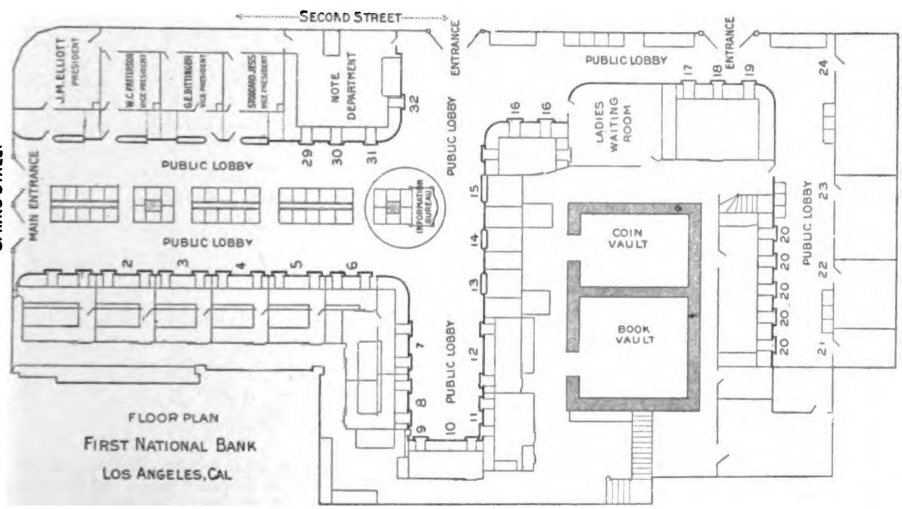
Draft Form

2.—Draft Form.

A note dated January 31, for one month, will fall due on February 28; note dated February 28, for one month, will fall due on March 28; note dated June 30, for one month, will fall due on July 30; note dated April 30, for one month, will fall due on May 31 (May 30, Decoration Day).

FLOOR PLAN OF A WESTERN BANK.

ONE of the practical matters to be settled by every bank is the arrangement of the floor space to the best advantage. The First National Bank of Los Angeles, Cal., has solved the problem, as shown in the accompanying illustration:



It prints this plan on a card, on the other side of which is the following information:

Directory

First National Bank of Los Angeles.

OFFICERS.

President—J. M. Elliott.

Vice-Presidents—Stoddard Jess, W. C. Patterson, G. E. Bittinger, John S. Cravens.

Cashier—W. T. S. Hammond.

Assistant Cashiers—A. C. Way, E. S. Pauly, E. W. Coe, A. B. Jones.

Bureau of Information, Centre of Main Lobby.

New Accounts Opened, Window No. 10.

W. T. S. Hammond, Cashier, Window No. 15.

A. C. Way, Assistant Cashier, (Letters of Credit), Window No. 14.

E. S. Pauly, Assistant Cashier, (Notes and Escrows), Window No. 29.

E. W. Coe, Assistant Cashier, (Money Transferred by Telegraph), Window No. 13.

A. B. Jones, Assistant Cashier, Collection and Transit Departments.

DEPARTMENTS.

Credit Department, W. N. Hamaker, Window No. 32.

Chief Teller, D. W. Carlton, Window No. 11.

Auditor, W. H. Lutz, Window No. 9.

Purchases and Supplies, W. C. Bryan, Room 22, Rear Lobby.

PAYING AND RECEIVING DEPARTMENT.

A-B..Window No. 1	L-M..Window No. 5
C-D..Window No. 2	N-R..Window No. 6
E-G..Window No. 3	S ..Window No. 7
H-K..Window No. 4	T-Z..Window No. 8

Special Department for Women, Window No. 16.

NOTE AND ESCROW DEPARTMENT.

Note Clerks, Windows Nos. 30 and 31.

EXCHANGE DEPARTMENT.

Drafts, Certificates of Deposits and Cashiers' Checks, Window No. 12.

COLLECTION DEPARTMENT.

Collections (Outgoing) on Outside Points, Window No. 17.

Collections (Incoming) on Los Angeles, Window No. 18.

Collections on Notes for Customers, Window No. 19.

PASS BOOK AND STATEMENT DEPARTMENT.

Pass Books Balanced and Statements of Accounts Rendered, Window No. 20, Rear Lobby.

A SHORT CUT TO SAN SALVADOR.

ALL letters and registered articles destined for Salvador and not addressed for despatch by some other route are now being forwarded to New

Form A.

☞ **To be accompanied by the London Agent's Declaration on Form B when Coupons are presented for payment.**

Income Tax.

FOREIGN DIVIDENDS.

DECLARATION to be made abroad by an OWNER of Foreign Bonds claiming exemption from Income Tax.

(1) Name, address, and occupation of Owner of the Bonds to be plainly written

I, (1) ____________________

of ____________________

by occupation ____________________

do hereby solemnly declare that the Coupons, amounting to £ __________

(2) The amount of Coupons to be set out in writing *before* the Declaration is signed.

say (2) ____________________

as specified at the back hereof, have been detached from Bonds which are my own absolute property, and which Bonds are in the possession of (3) __________

(3) Name and address to be fully given.

____

and that no British Subject wherever residing, or Foreigner residing in the United Kingdom of Great Britain and Ireland, has any interest whatever in the said Bonds or Coupons.

Signature of the Owner of the Bonds } ____________________

Date ____________________

Declared at ____________________

this _____ day of __________ 190 .

Before me,

____________________ Signature.

____________________ Designation.

Seal of British Consul, or Vice-Consul } ......

Seal of Notary Public.........

N.B.—This Declaration when filled up, must only be made before a Notary Public in case there is no British Consul or Vice-Consul in the place where the Declarant resides. The Bonds, if required, must be produced in support of this claim.

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(4) If Coupons are sent *direct* to an Agent in the United Kingdom by the owner of the Bonds this Declaration need not be signed.

(4) Where Coupons are transmitted through a Foreign Banker or Merchant residing abroad, on behalf of his Foreign Clients, the following Declaration must be signed:—

I declare that the above named ____________________

is one of my clients, and that the Coupons specified at the back hereof have this day been transmitted by me for payment on his behalf to Messrs. ____________________

of ____________________

Signature of Foreign Banker or Merchant } ____________________

Address ____________________

Date ____________________

E S & Co—p6351/8000/2/06 17

Forms for securing rebate on English income tax. No. 1.

Orleans for despatch via Puerto Barrios and Zacapa, as the articles reach their destinations earlier by that route than via the Colon and Panama route. Printed matter, etc., and registered and ordinary parcels, post packages, cannot be forwarded via Puerto Barrios and Zacapa, and they are therefore forwarded exclusively by the Colon and Panama route.

The Salvador mail for despatch via New Orleans, Puerto Barrios and Zacapa closes at the New York post-office at 10.30 P. M. every Monday. (Registered mail, 6.00 P. M. the previous day.)

Banks and merchants corresponding with San Salvador can save considerable time by following this suggestion.

THE BRITISH INCOME TAX.

OWNERS of coupons payable in Great Britain, who are not British subjects, frequently experience annoyance by reason of the heavy deduction made by British banks to comply with the laws of Great Britain on the income tax. It is, however, possible for citizens of the United States owning bonds, coupons of which are

SCHEDULE OF BONDS AND COUPONS.

Description of Bonds and when Coupons are due	The Numbers of Coupons to be entered here in consecutive order							Total Amount of Coupons of each description of Bond		
								£	s.	d.
Total Number of Coupons..................							Aggregate Amount of Coupons	£		

Registered,

Somerset House,

Date.

Forms for securing rebate on English income tax. No. 1.—Reverse.

This Space NOT to be filled up.
Order No.
H—Allowed for £ s. d. to

Form A 1.

Income Tax.

FOREIGN DIVIDENDS.

AFFIDAVIT [or Affirmation] to be made abroad by the Owner of the Bonds claiming repayment of Income Tax.

1. Name, address, and occupation of Owner of the Bonds to be plainly written.

I, [1] ________________________________

of ________________________________

do hereby make Oath [or Affirmation][2] and declare that the Coupons, amounting to £________ say [3] ________________________ as specified at the back hereof, were detached from Bonds, which at the time the Interest on such Bonds was paid were together with the said coupons my property, and did not belong either directly or indirectly to any British Subject wherever residing, or Foreigner residing in the United Kingdom of Great Britain and Ireland.

2. Affirmation permissible only to persons having no religious belief or to whom the taking of an oath is contrary to their religious belief.

3. The amount of Coupons to be set out in writing.

Signature of the Owner, ________________

Date, ________________

Sworn (or Affirmed) at ________________

this ________ day of ____________ 190

before me

________________________ Signature.

* ________________________ Designation.

* Here state whether Consul, Vice-Consul, or Notary Public.

Seal of Consul Vice-Consul, or Notary Public.

N.B.—Affidavits or Affirmations to be made only before a Notary Public in places where there is no resident British Consul or Vice-Consul.

Presented by ________________________, Agents in [redacted].

R S & Co—69305-1000-9-06/2000-1-07 '9s

Forms for securing rebate on English income tax. No. 2.—

payable abroad, to obtain a refund, claiming exemption from the tax, or the tax having been deducted on former coupons, to obtain repayment of the tax, by use of blanks similar to those below, which are the proper forms to use, and may be obtained readily.

THE QUESTION OF PROTEST AS VIEWED BY THE FOREIGN BANKER.

IN the United States "no protest" means what is implied, and in the absence of such instructions it is generally understood that items not so noted are to be protested. Our friends abroad, however, take a different view of the case.

Thus, in France it is the custom to mark items which they distinctly wish protested "Simple Protet," which implies forcibly that such an item is to be protected.

Again, it is a common custom in France to endorse items "sans compte de retour," which naturally would be translated, "return without charge," or protest; but not so, for these instructions mean merely that no charges are

SCHEDULE OF BONDS AND COUPONS.

Description of Bonds and when Coupons were due	NUMBERS OF COUPONS to be entered in consecutive order	Total Amount of Coupons of each description of Bond			Income Tax deducted		
		£	s.	d.	£	s.	d.
Total Number of Coupons........	Aggregate Amount of Coupons ...... £						
	Total Amount of Income Tax...£						

N.B.—This claim must be accompanied by the Certificate of the Agent who paid the Interest and deducted the Income Tax.

I hereby claim repayment of the sum of £..................deducted as Income Tax from the above Coupons and I authorize..................
of..................to receive the same on my behalf.

Signature of Owner of Bond, ...

Date, ...

I hereby request that repayment may be made to me of the above-named sum of..................
on behalf of..................

Signature, ...

Address. ....

Date, ...

Registered,

....

, *Somerset House,*

..................*Date*

Forms for securing rebate on English income tax. No. 2.—Reverse.

to be made for the presentation or the return of the item, but *not* that protest has been waived.

In Holland, on the other hand, while it is also their custom to endorse their collection drafts "no charges," differing from the French, *they* mean by this "no protest."

In Germany, also as in Holland, "ohne Kosten" means "no charges," the equivalent of our "no protest." Banks handling the collection business of Continental banks will avoid much confusion and possible expense by watching this simple point, very insignificant apparently, and yet if overlooked, charged with consequences so momentous.

WHAT'S IN A NAME?

THE form given herewith, used by one of the large London banks for the presentation of its drafts and notes, brings to notice the distinction recognized abroad between a draft and a "bill":

A Bill for £
Drawn by
Upon Mr.
Lies due at the Union of London & Smiths Bank, Ltd.,
No. 2, Princes Street, Mansion House.

No Drafts will be received in payment of Bills, except upon Bankers eastward of St. Paul's who clear. Such Drafts must be brought before Three o'clock, and will be sent to the Bankers attached to the Bill.

N. B.—Please to call between Two and Four o'clock.

Light gold cannot be received in payment.

On Saturdays please call between Eleven and One o'clock.

With bankers in the United States this notice in all probability would have read: "No checks will be received in payment of drafts," etc., but with our English cousins a check is a draft, and a draft is a bill.

THE NATIONAL DRINK ACCOUNT.

ACCORDING to the "American Grocer," our national drink bill is mounting up. This publication says:

Bringing together the quantities of liquors consumed, estimated at the retail cost, on the basis of previous reports, the American people spent for alcoholic stimulants for the year ending June 30, 1907:

Beer	$843,333,829
Whiskey (exclusive of quantity used in arts)	504,794,407
Wines	118,456,091
Grand total 1907, est. cost	$1,466,584,327
Grand total 1906, est. cost	1,450,855,448
Grand total 1905, est. cost	1,325,439,074
Grand total 1904, est. cost	1,277,727,190

The total revenue of the United States Government in 1907 from spirituous and malt liquors and from tobacco was $247,458,911, or $2.88 per capita, equal to $14.40 tax on every family.

We must leave to students of social economy the question of a great nation spending an average of over one and one-half billions annually for stimulating beverages; a sum about as great as the appropriations of the Congress for a session. Nearly double as much per capita is spent for drink as is spent for the maintenance of public schools. It nearly equals the value of exports of merchandise per capita. It is double the amount of the public debt. It is more than the farm value of the corn crop, which exceeds 2,500,000,000 bushels; three times the value of the wheat grown; more than double the worth of the cotton crop. The indirect cost is beyond estimate, and so great is the waste and misery created that states are fighting the evil and endeavoring to banish the saloon as a distributing factor. It is easily the foremost question of the day, and places the support of a big navy or an army in the shade.

NEW COUNTERFEIT $5 NATIONAL BANK NOTE.

CHECK letter "C;" J. Fount Tillman, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; Charter No. 5082; Treasury No. R497013R; Bank No. 5825. The bill is a direct photograph with coloring matter applied to the numbers and geographical letter "M." The original charter number can be discerned under the coloring. The counterfeit at hand bears the back impression of the $5 note of the State National Bank of St. Louis, as the charter number of that bank, 5172, appears in the panel in the center of the note. No attempt has been made to disguise the fact that the back is a photograph. There is no silk or imitation of it in the paper.

The fact that the back of this note is a counterfeit of the back of the State National Bank note would seem to indicate that the State National Bank $5 note was counterfeited as well as that of the National Exchange Bank of Springfield.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

KNOWLEDGE OF OFFICER AND DIRECTOR—WHEN BANK NOT CHARGEABLE WITH.

LANNING vs. JOHNSON et al.

SUPREME COURT OF NEW JERSEY, APRIL 2, 1908.

The president and director of a trust company, who was also a director of a bank, induced other directors of the bank to execute a note, on the pretense that the bank was temporarily in need of funds, and on the condition that the note was not to be discounted until the signatures of the other directors of the bank had been secured; but, without procuring the additional signatures, and without consulting with the other directors of the trust company, he caused the note to be discounted by the trust company: *Held,* that the trust company was not bound by his knowledge, and was entitled to recover on the note.

THE plaintiff sued as the receiver of the Monmouth Trust & Safe Deposit Company to recover the amount due upon a certain promissory note for $10,000 held by the insolvent company, and signed by the defendant. The note was made at the instance of one Twining, who was a co-director with the makers of the note of the First National Bank of Asbury Park, and also president and a director of the trust company. Twining obtained the signatures of the defendants to the note upon the pretense that the bank was temporarily in need of funds to carry it over until it received returns from its discounts in other banks, and upon the express condition and agreement with the defendants that the note was not to be discounted or used unless, and until the signatures of the other directors of the bank, some five in number, were procured and attached to the note. But notwithstanding his agreement with the defendants, Twining caused the note to be discounted by the trust company without the additional signatures of the remaining directors. This was done by Twining as president of the company without consultation with his board of directors; and the right to do so had not been conferred upon him by the board, either expressly or by knowingly permitting him to exercise a like power on previous occasions, or by ratifying or acquiescing in its exercise by him. On these facts the trial court found in favor of the plaintiff.

GUMMERE, *C. J.:* It is contended on behalf of the defendant that the conduct of Twining in procuring the note to be discounted without first obtaining the signatures of the other directors of the bank was a fraud upon the defendant; that the knowledge of Twining of the fact that the note was fraudulently being put into circulation was attribut-

able to the trust company because of the fact that he acted for it in the matter of the discount; and that, therefore, the makers of the note are not liable to the receiver. That the fraud of Twining in presenting the note for discount without procuring the signatures of all the directors of the bank renders it void, if the trust company took it with notice of the fraud, is conceded. The only question is whether his knowledge is attributable to the trust company.

It has frequently been declared in other jurisdictions that there is a distinction between knowledge of illegality, or want of consideration of a note by a director who acts with his board in discounting it and such knowledge on the part of a director who is not present and acting with the board when the discount is made; and that in the former case the bank is bound by his knowledge, and in the latter case it is not. Many of the cases so holding will be found collected in the opinion of Depue, J., in First National Bank of Hightstown vs. Christopher, 40 N. J. Law, 435. It is upon the principle which is considered to underlie this distinction that the defendants rest their claim of non-liability. But the distinction claimed to exist has been condemned, as we understand the opinions hereafter referred to, by our Court of Errors and Appeals. In the case of Sooy vs. State, 41 N. J. Law, 394, the sureties upon the bond of a state Treasurer sought to escape liability for his defalcations upon the ground that the Legislature had knowledge, at the time of the execution and delivery of the bond, that the Treasurer was then a defaulter, and that it had failed to communicate this fact to the sureties. Such knowledge on the part of the Legislature was attempted to be shown by proving that the fact had been communicated to one of the members of that body. It was decided that, "in a matter wherein the Legislature properly acts as an agent of the state, notice to members of the Legislature individually is not notice to the state. Such notice, to bind the state, must be given to one of the legislative branches in organized session."

The underlying rule upon which this decision was rested is stated in the opinion to be that the knowledge of the agent is chargeable upon the principal only when the principal, if acting for himself, would have received notice of the matters known to the agent. In the late case of Vulcan Detinning Co. vs. American Can Co. (N. J. Err. & App.) 67 Atl. 339, the same court affirmed the rule laid down in Sooy vs. State, and held that the defendant company was chargeable with knowledge of facts acquired by its president while a director of the complainant company only so far as it would itself have acquired such knowledge by dealing directly, or through another agent, with the complainant company concerning the subject-matter of the controversy. At the same time it expressly repudiated the doctrine laid down by us in the earlier case of Willard vs. Denise, 50 N. J. Eq. 482, viz., that where information is casually obtained by an agent of a corporation, and the corporation afterward acts through such agent in a matter where the information possessed by him is pertinent, the knowledge of the agent will be imputed to the principal.

On the strength of those two cases, therefore, it would seem that, if the note in controversy had been discounted by the board of directors of the Trust Company while Twining was present as a member thereof, the trust company would not be chargeable with notice of his fraudulent conduct in procuring its discount. But the fact that the note was discounted, not by the board of directors, but by Twining himself, he taking advantage of his position as president to usurp the function of the board without authority from them, makes it unnecessary to determine the question discussed; for it can hardly be held that, where a transaction takes place without either the knowledge or authority of the board, the board is chargeable with notice of facts known to their self-constituted

agent, but not communicated by him to them.

The rule to show cause will be discharged.

PARTNERSHIP NOTE — INDORSEMENT BY PARTNER.

NATIONAL EXCHANGE BANK OF PROVIDENCE vs. LUBRANO.

SUPREME COURT OF RHODE ISLAND, MARCH 4, 1908.

Under the Negotiable Instruments Law a partner who indorses a note made by the firm adds to his liability as maker a several and distinct liability as indorser.

THIS was an action upon a promissory note in the following form: "$400.00. Providence, R. I., Oct. 25, 1905. Ninety days after date we promise to pay to the order of the National Exchange Bank four hundred 00-100 dollars at the National Exchange Bank of Providence. Value received. No. ———. Due Jan. 23. D. Di Luglio Co." Indorsed on back of note: "Michael Lubrano."

PARKHURST, *J.* (omitting part of the opinion): The declaration shows that the defendant, Lubrano, was a maker of the note as a partner with one D. Di Luglio, under the firm name of "D. Di Luglio Company," as signed on the note. If Lubrano had placed his name upon the back of the note before delivery, under the law of this state, as it existed prior to the passage of the "Negotiable Instruments Act" (chapter 674, p. 222, Jan., 1899), he would simply have become a joint maker of the note. As he was a maker already, his relation to the note would not have been changed, and his liability thereunder would neither have increased nor diminished. His act would simply have been nugatory. Under the negotiable instruments act, however, we think he may fairly be held to have made himself an indorser under the provisions of section 71, viz.: "A person placing his signature upon an instrument otherwise than as maker, drawer, or acceptor is deemed to be an indorser, unless he clearly indicates by appropriate words his intention to be bound in some other capacity." (See, also, Negotiable Instruments Act, p. 228, c. 674, § 25, cl. 6. See McLean vs. Bryer, 24 R. I. 599; Downey vs. O'Keefe, 26 R. I. 571; Deahy vs. Choquet, 28 R. I. 338, 67 Atl. 421.) In other words, we are of the opinion that the defendant, by so indorsing said note, added to his liability as maker a several and distinct liability as indorser, thereby making himself individually liable for the payment of the note, after due notice of dishonor, and thereby also guaranteeing the signature on the face of the note, and that the plaintiff had a right, if it saw fit, to sue him as such indorser, as it has done. The demurrer to the declaration was therefore properly overruled.

CHECK—TIME FOR GIVING NOTICE OF DISHONOR.

JURGENS vs. WICHMANN.

NEW YORK SUPREME COURT, APPELLATE DIVISION, SECOND DEPARTMENT, FEBRUARY 28, 1908.

The holder of a check indorsed and deposited the same in his bank for collection on July 28. On July 29 he was notified by the bank that the check had been dishonored, and, on July 30, he notified the payee by telegraph: *Held,* That the notice was in due time under section 178 of the Negotiable Instruments Law.

THIS was an action by the holder of a check against the maker and payee. The former did not answer. The latter appealed.

GAYNOR, *J.* (omitting part of the opinion): The point is also made that notice of dishonor was not given to the appellant in time. The evidence is that the plaintiff endorsed and deposited the check in his bank for collection on July 28th, and that he notified the appellant by telegraph on July 30th of its dishonor. The evidence is that this was done immediately after the plaintiff had received notice of such dishonor from his bank. By sections 174 and 175 of the negotiable instru-

ments law (Laws 1897, p. 741, c. 612) the plaintiff's bank had until the day following the dishonor to give him notice, which would be July 29th, and by section 178 the plaintiff had until the day following notice to him to give the appellant notice.

The judgment should be affirmed.

PROMISSORY NOTE — WHEN BANK HOLDER IN DUE COURSE — INDORSEMENT WITHOUT RECOURSE.

ELGIN CITY BANKING COMPANY vs. HALL.

SUPREME COURT OF TENNESSEE, OCT. 19, 1908.

Under the Negotiable Instruments Law, an indorsement "without recourse" does not impair the negotiable character of a note, or put the transferee on notice.

A bank is not deemed a holder for value where it has done nothing more than discount the paper and place the proceeds to the credit of its customer.

But if the bank discounting the paper obtains credit for its customer with another bank for the amount of the proceeds the obligation so created will constitute the discounting bank a holder for value.

THIS was an action against the makers of a promissory note which had been given in part payment for a horse. The defence was that the note was procured by fraud and misrepresentation on the part of the payees.

McAllister, *J.* (omitting part of the opinion): We think, upon the facts shown in the evidence, that this contract and these notes were not enforceable against the original makers, on account of the fraud and misrepresentation practiced by the agent of the payees, Dunham, Fletcher & Coleman.

The question remains whether the complainants were innocent purchasers of said note for value, before maturity, in due course of trade, without notice of any of the infirmities in said notes.

As already seen, said notes were first indorsed "without recourse" by Dunham, Fletcher & Coleman, the payees, to W. S., J. B. & B. Dunham, and said notes were then delivered to complainant bank by said W. S., J. B. & B. Dunham under a written guaranty on the back of the notes, by which said firm guaranteed the payment of said note, with interest at 5½ per cent. per annum, together with all the costs and expenses of collection, and also waived demand and notice of non-payment.

It is suggested that the indorsement "without recourse" was sufficient to put the purchaser upon notice, and destroyed the negotiability of the instrument; but we think it is well settled that an indorsement without recourse is not sufficient to put the purchaser upon notice. 2 Randolph, Commercial Paper, § 1008; 7 Cyc. 954, and numerous cases cited.

Moreover, the matter is set at rest by our negotiable instrument law (Acts 1899, p. 148, c. 94, § 38), wherein it is provided that "such an indorsement does not impair the negotiable character of the instrument."

* * * * * * *

The determinative question presented on the records is whether the complainant bank is a holder for value. Our negotiable instrument law (section 25) provides:

"Value is any consideration sufficient to support a simple contract. An antecedent or pre-existing debt constitutes value, and is deemed such whether the instrument is payable on demand, or at a future time."

"Sec. 26. Where value has at any time been given for the instrument, the holder is deemed a holder for value in respect to all parties who became such prior to that time."

"Sec. 52. A holder in due course is a holder who has taken the instrument under the following conditions:

"(1) That it is complete and regular upon its face.

"(2) That he became the holder of it before it was overdue, and without notice that it had been previously dishonored, if such was the fact.

"(3) That he took it in good faith and for value.

"(4) That at the time it was negotiated to him he had no notice of any infirmity in the instrument, or defect in the title of the person negotiating it."

"Sec. 55. The title of a person who negotiates an instrument is defective within the meaning of this act, when he obtained the instrument, or any signature thereto, by fraud, duress or force and fear, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to a fraud.

"Sec. 56. To constitute notice of an infirmity in the instrument, or defect in the title of the person negotiating the same. the person to whom it is negotiated must have had actual knowledge of the infirmity or defect, or knowledge of such facts that his action in taking the instrument amounted to bad faith.

"Sec. 57. A holder in due course holds the instrument free from any defect of title of prior parties, and free from defenses, available to prior parties among themselves, and may enforce payment of the instrument for the full amount thereof against all parties liable thereon."

"Sec. 59. Every holder is deemed prima facie to be a holder in due course, but when it is shown that the title of any person who has negotiated the instrument was defective, the burden is on the holder to prove that he, or some person, under whom he claims acquired the title as a holder in due course."

While we find some facts and curcumstances in the record tending to show that complainants were put on inquiry as to defenses against this note, we cannot say that complainants "had actual knowledge of the infirmity or defect or knowledge or such facts that its action in taking the instrument amounted to bad faith."

It is matter for observation that at the time of purchasing this paper the officials of the complainant bank made no inquiry in respect to the makers or as to the consideration of the notes, although it is admitted they knew nothing as to the commercial standing or solvency of the makers.

Again, it appears that in enforcing the collection of the notes complainant has ignored the guarantors and is only suing the original makers. This is worthy of comment, since the guaranty was for the payment of all expenses of collection and additional interest. It appears the guarantors are solvent and reside within seven miles of complainant's place of business, and yet, passing them, complainant sent this paper to Cleveland, Tenn., for collection, thereby seeking a lower rate of interest and incurring attorney's fees in the prosecution of the suit. There was no obstacle in the way of a primary suit against the guarantors on this form of guaranty. It is well settled in Tennessee that, when the guaranty is absolute, no demand or exhaustion of the maker is required; nor is any notice required of the acceptance or default. It does not matter whether the guaranty stipulates that the maker will pay, or that the guarantor will pay, nor whether the maker is solvent or not. In either event, the undertaking is absolute, and the guarantor may pay the amount, or see that it is paid. This is not the case of a guaranty of solvency or collectibility, which requires previous demand and suit. (Klein vs. Kern, 94 Tenn. 34, and authorities there cited.)

The only explanation of this unbusinesslike procedure on the part of complainant bank is that the firm of guarantors did a valuable business with the bank and that complainant would do anything to protect them.

The main proposition presented by counsel for defendants is that complainant is not a holder of said paper for value within the meaning of our negotiable instrument law. It is said it is not shown that complainant has ever paid anything in money, or the equivalent for said paper; but the cashier of the bank merely testifies that he gave said firm "credit for the amount at the First National Bank of

Elgin." It is said it is not shown that said credit was ever used by said indorsers, W. S., J. B. & B. Dunham. The entire testimony on this subject is found in the deposition of A. C. Hawkins, cashier of the complainant, Elgin City Banking Company. He tells of the purchase of said notes, together with sundry other notes, in one lot, from W. S. Dunham, of the firm of W. S., J. B. and B. Dunham, paying therefor the full amount of said notes, with accrued interest to date of purchase, at said bank, in the usual course of business. This was the testimony of the witness on his direct examination, from which it appears that a prima facie case of a holder for value is made out; but, on cross-examination of the witness at a later date, he was asked, "Q. 4. Do you recall how you paid for them [referring to the notes]?" and he answered, "I gave them credit for the amount at the First National Bank of Elgin on July 18, 1904." It will be observed that the alleged credit was not given in the bank which purchased the notes (the complainant, Elgin City Banking Company), but at a different bank, namely, the First National Bank of Elgin, Ill.

The law seems to be settled that, when a bank simply discounts a note and credits the amount thereof on the indorser's account, without paying to them any value for it, it is not enough to constitute such bank a prima facie purchaser for value of the note. (Selover, Neg. Inst. Laws, p. 217; 2 Amer. & Eng. Ency. of Law, 391, 392; Warman vs. First Nat. Bank, 185 Ill. 60.)

The reason is that the proceeds of the discount may be credited to the bank by making a change of entries on its own books. It is said, however, that this rule of law has no application where the credit to the seller of negotiable paper is given by the purchaser, not on its own books, but in a different bank. It is said the presumption must be, in such case, that the purchaser has paid money, surrendered securities, released an obligation, or itself assumed an obligation in the other bank, in order to secure this credit. The record fails to show why payment of the notes was made in this manner, nor the precise nature of the transaction by which the complainant bank secured credit to the seller in the First National Bank of Elgin for the amount of these discounted notes.

It is well settled that a purchaser of commercial paper is a holder for value and in due course of trade, when he "has given for the note his money, goods, or credit, at the time of receiving it, or has no account of it, sustained some loss or incurred some liability." (Nichol vs. Bate, 10 Yerg. 429; Kimbro vs. Lytle, 10 Yerg. 417; Bank vs. Johnston, 105 Tenn. 521.)

As already seen, by section 25 of our negotiable instrument law (Acts of 1899) it is provided: "Value is any consideration sufficient to support a simple contract." There is no trouble, therefore, in holding that, if the complainant bank had obtained credit in favor of the seller in a solvent bank for the amount of the discounted paper, that would be a sufficient consideration to constitute the purchaser a holder for value.

The difficulty presented arises out of the indefiniteness of the testimony. The witness was not asked by counsel on either side for an explanation of his statement, "I gave them credit for the amount at the First National Bank at Elgin." It does not appear from the record that this credit was ever used by W. S., J. B. & B. Dunham. It does not appear how the credit was given, and the court cannot determine, from the unexplained statement of the witness, whether or not the credit was real and substantial. The burden of proof is on complainant to show, on these facts, that it was a holder for value.

The fraud that vitiated the original transaction was the conduct of the agent, Campbell, in representing to five of the purchasers that Beard, Hall, and Thurston had become equal partners in the purchase of the horse, when this agent had secretly arranged with

these three parties to pay them a consideration to allow the use of their names as purchasers and to release them from the payment of their quota of the purchase money.

Affirmed.

PRESENTMENT OF NOTE WHERE BANK HAS SEVERAL BRANCHES.

IRON CLAD MANUFACTURING CO. vs. SACKIN, ET AL.

SUPREME COURT OF NEW YORK, KINGS COUNTY, MARCH 23, 1908.

Where a promissory note is made payable at one of several "branches" maintained by a trust company in the same county, presentment at the main office of the company, which receives and retains the note is sufficient under the Negotiable Instruments Law.

KELLY, J: The note was made by Marx & Harper, indorsed by Sackin, and delivered to plaintiff. It is alleged in the complaint, paragraph 3, and not denied in the answer, that the note was payable at the Jenkins Trust Company in the borough of Brooklyn. Indeed, in the separate defenses pledged in the answer the place where the note is to be paid and the bank alleged to have had the custody of the funds with which to pay it is always described as "Jenkins Trust Company," and "Jenkins Trust Company of Brooklyn." The note fell due on October 23, 1907, and on that day it was presented for payment at the main office of the Jenkins Trust Company, at the corner of Nostrand and Gates avenues, in Brooklyn. Under modern banking methods a system of branches of banking institutions has come in vogue—a system unknown until recently, and which I am free to say is not in keeping with the conservative way of conducting banking in the past—and this note was payable at Jenkins Trust Company Bath Beach Branch. When the Jenkins Trust Company received the note for payment at its main office on the day when it was due, it retained the note and sent it to the Bath Beach branch office. It reached the branch office on the afternoon of the 24th, after banking hours. The makers had cash on deposit with the Jenkins Trust Company sufficient to pay the note, but it was not paid on October 23, or 24 or 25, and the Jenkins Trust Company suspended payment on the 25th about noon. The makers had their account at the Bath Beach branch, and it is said that there is no explanation of why the note was not paid at the branch office on the morning of the 25th before the bank suspended payment.

But I think the presentation of the note on the day on which it was payable at the main office of the Jenkins Trust Company was sufficient. The defendants quote section 133 of the Negotiable Instruments Law (Laws 1897, p. 736, c. 612):

"Presentment for payment is made at the proper place where the place of payment is specified in the instrument and it is there presented."

There is but one Jenkins Trust Company, one president, secretary, cashier, and the other officers recognized by law. There may be assistant cashiers or tellers at the branches, but the branches are not separate corporations. The corporation, Jenkins Trust Company, had the money of the makers on deposit. It makes no difference where the company received it. The corporation was responsible no matter at what "branch" it was received. If the note had been presented at a "branch" other than the "branch" named on the face of the note, some question might arise, but in this case the note was presented at the main office. The greater includes the less. The maker selected the bank at which the note was to be paid, and, when the holder presented it at the main office of that bank and the bank received it, I cannot see why the holder is responsible for the failure of the banking company to pay it then and there, or because, for its own convenience, the banking com-

pany saw fit to send it to a "branch" or delay in sending it. There was a regular course of dealing proved between the Mechanics' Bank, which held the note for collection, and the Jenkins Trust Company, by which notes payable at "branches" were presented either at the branch or the main office, but without this course of dealing I think presentation at the main office was sufficient.

Both parties moving for the direction of a verdict, I direct a verdict for the plaintiff for the amount of the note, $871.45, and interest, $19.61; total $891.06.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BANKS AND BANKING—OVERDRAWN CUSTOMER'S ACCOUNT—PROMISSORY NOTES—COLLATERAL SECURITIES—TRANSFER TO THIRD PERSON—INSPECTION OF CUSTOMER'S ACCOUNT—BANK ACT, 1890, SEC. 46—INTEREST—COMPOUNDING.

MONTGOMERY VS. RYAN.

RYAN VS. BANK OF MONTREAL AND MONTGOMERY (16 O. L. R, p. 75).

HEAD NOTE: R., having had an account with a bank for many years previous to the 16th of July, 1906, was on that day indebted to the bank in a large sum for moneys advanced, for which the bank held securities pledged to them by R., and a Promissory Note made by R., payable on demand, for a sum larger than the amount then due. M. had been negotiating with the bank for an assignment of the debt due by R., and had been permitted by the bank to see the entries in their books relating to that debt, and, on the day mentioned, the bank assigned to M. the sum due and all the securities held by them, covenanting that the sum named was due and to produce and exhibit their books of amount and other evidence of indebtedness, etc. The pledged securities were handed over to M., and afterwards the demand note, upon which he sued R., who brought a cross-action against the bank and M. for an account and damages and other relief.

HELD, that the bank was not probihited by sec. 46 of the Bank Act, 1890, from allowing M., for the purposes mentioned, to inspect the account of R. with the bank; that the agreement was not invalid; that M. was entitled to succeed in his action upon the note; and that R.'s action failed.

Held, also, Meredith J. A., dissenting, that the bank was not entitled to charge R. compound interest; but where the bank had made a discount or an advance for a specified time and had reserved the interest in advance, this should be allowed; in other cases, where there had been an overdraft, and payments had been made, interest should be reckoned up to the date of each payment, and the sum paid applied to the discharge of the interest in the first place, and any surplus to the discharge of so much of the principal.

Judgment of Clute J., reserved.

STATEMENT OF FACTS: The action of Montgomery vs. Ryan was brought to recover $12,789.24 and interest at six per cent. from July 16, 1906, upon a demand note dated November 16, 1905, for $17,240, with interest at six per cent. until paid, made by Peter Ryan (the defendant) to the Bank of Montreal, and transferred to Montgomery, the plaintiff, by the Bank of Montreal, with certain collaterals pledged by Ryan to secure his account with the Bank of Montreal.

Ryan, by his defence, denied indebtedness, and alleged that the note had been paid by collections made by the bank, of which only partial credits had been given; that the bank held as collateral a claim against the Ashcroft Water, Electric and Improvement Company (hereafter referred to as the Ashcroft Company), upon which the bank recovered judgment for $3,325.60 and costs of action, which had been paid, amounting in all to $3,775.31; that the bank received other collections from collaterals and wrongly debited the defendant (Ryan) with certain alleged costs, and illegally charged interest, discount, and compound interest against the defendant; and he counterclaimed for $12,500.

The second action was brought by

Peter Ryan (the defendant in the former action) against the Bank of Montreal and Montgomery in respect of the same transactions. By the statement of claim Ryan alleged that for many years he was a customer of the Bank of Montreal and had his account with the bank since prior to 1890; that in July or August, 1906, the Bank of Montreal claimed a balance of $12,789.24 as the balance due upon the said promissory note, and he repeated the charges in substance of wrongful debits for interest and not giving credit for collections, and that the bank held a large number of securities pledged by Ryan as collateral to his account, of much greater value than the balance claimed to be due. Ryan then charged that the bank, having made these overcharges, and not giving due credit to the plaintiff, colluded and conspired with Montgomery against the plaintiff (Ryan) to maintain this illegal and wrongful condition of the account, and prevented the plaintiff from obtaining a just and proper account-taking with the bank, so as to enable the bank to wrongfully recover the $12,789.24 claimed as due. It was charged further that Montgomery was actuated by malicious motives, of which the Bank of Montreal were well aware, and that the bank, in order to promote their own wrongful purposes and objects, and the wrongful and malicious purposes of Montgomery, assigned and transferred the plaintiff's account as a customer of the bank, and the amount of the indebtedness then alleged to be due, and received therefor the sum of $12,000, for the purpose of enabling Montgomery to attempt to receive from the plaintiff the said sum as a pretended balance due on the account and upon said promissory note, and, as a part of such transaction, assigned and transferred all the securities collateral to said account; that the bank wrongfully and illegally exposed to defendant Montgomery the account and dealings and transactions by the plaintiff as a customer of the said bank in order to effect their wrongful purpose, and to promote the combination and collusion between the bank and the defendant Montgomery; that the Bank of Montreal entered into a covenant of indemnity with Montgomery at the time of such transfer; that Montgomery caused proceedings to be taken in the High Court against Ryan for the recovery of the alleged balance; and that Montgomery throughout was the agent of the bank. It was further alleged that the bank charged an excessive rate of interest; that the defendants intended to attempt to realize upon the said securities, and threatened the sale and sacrifice of the same; that the plaintiff demanded a full and true statement in detail of his account with the bank, which had been refused. There were also charges of negligence in collecting the securities.

The plaintiff Ryan in his action claimed an account against the bank and to have it declared that the charges of interest and compound interest were excessive; to set aside and cancel the transfer of the account and securities and statement of all securities held by the defendants for the plaintiff; and an order enjoining the defendants from further transferring or dealing with the securities; and a declaration as to the wrongful, illegal, and collusive acts by and between the defendants and others as against the plaintiff; and claimed $50,000 damages.

The bank denied all charges of fraud or other improper conduct, and alleged that on November 15, 1905, the bank rendered a statement to Ryan showing the balance due upon his account at that time of $17,240, which he admitted to be correct, and therefor gave the said note; that the bank held collateral securities of Ryan, which were dealt with under his direct instructions; that, among other securities, were certain promissory notes made by the Ashcroft Company, upon which the bank brought action at his request in British Columbia. That action was defended, but when the action came on for trial one John Shields, chairman of the Ashcroft Company, makers of the said

note, offered to consent to judgment in favor of the bank, and to take an assignment of the claim of the said defendants against the plaintiff and all the securities, including said judgment, held as collateral thereto; that the bank accepted the offer, and on July 16, 1906, an agreement was made between the Bank of Montreal and Montgomery, as the nominee of Shields, whereby the bank, in consideration of $12,789.24, transferred to Montgomery the Ryan account amounting then to $12,789.24, and assigned and transferred to Montgomery the said collateral securities; that the bank received the said sum, being the full consideration named in the assignment and transfers, and handed over to Montgomery the said note and all the collateral securities held by the bank. The bank denied that they charged illegal rates of interest, and said that it was not true that they refused an account; that if an account were granted it should be limited to six years; and finally alleged that at the time of the assignment Ryan was justly and truly indebted to the bank in the said sum of $12,789.24 in respect of said promissory note; that they had demanded payment and that payment had been refused.

The defendant Montgomery denied all charges of improper conduct or that he was acting as agent of the bank. He claimed under the assignment of July 16, above referred to, and under the said note endorsed to him, of which he claimed to be the purchaser without notice, and claimed the balance upon the note, less $465.85 collected. He alleged, further, that among the securities given by the plaintiff was a certain mortgage of the Metropolitan Soap Company for $10,000, dated the 28th January, 1904; that the plaintiff never executed the assignment of the same for registration, and had refused to do so; that among said securities were also certain debentures, from one to twenty inclusive, of the Cape Breton Exploration and Development Company, Limited, for $2,500 each, registered in the name of the plaintiff, and that he had not transferred these securities so as to enable the defendant to be registered as owner thereof, and that he had refused to do so; and by way of counterclaim he asked damages for such refusal and an injunction restraining the plaintiff from incumbering or dealing with the said securities, and for a mandatory order to assign said mortgage and transfer.

The Trial Judge held that there were four points for decision:

1. Has the bank been guilty of a breach of Section 46 of the Bank Act which provides, "The books, correspondence and funds of the bank shall at all times be subject to the inspection of the directors; but no person who is not a director shall be allowed to inspect the account of any person dealing with the bank." After reviewing the authorities and circumstances in this case the Trial Judge was of the opinion that the bank had been guilty of this section quoted.

2. Does such breach invalidate the whole agreement? This question was answered in the affirmative.

3. Having regard to the manner in which the note was received, does it preclude the plaintiff Montgomery from recovering on the note? It was held that the note was received only pursuant to the covenant in the assignment for further assurance and that the assignment having been declared invalid, this question should also be answered in the affirmative.

4. Is the plaintiff Ryan entitled to damages for the alleged wrong done him by the breach of the Bank Act in permitting his account to be inspected and sold? In answer to this the Trial Judge stated that in his view the plaintiff suffered substantial damages, which he assessed at $1,000.00.

From this Judgment an appeal was taken to the Court of Appeal, who reversed the Judgment of the Trial Judge.

JUDGMENT (MOSS, *C.J.O.;* OSLER, GARROW, MACLAREN and MEREDITH, *J.J.A.*)*:* The Court of Appeal held that the liability of a bank for disclosing its

customers' account was, apart from the Statute, a debatable question. They traced the present section 46 of the Bank Act from the original section, passed in 1871, when the last clause of it read as follows: "But no shareholder, not being a director, shall be allowed to inspect the account of any person dealing with the bank," and held that it was undoubtedly the policy of Parliament when it dropped this last clause to declare a policy of secrecy as to the accounts of persons dealing with the banks except where there existed a good ground for disclosure. The rule as to secrecy is not an absolute one, but the provisions of the Bank Act and the general law must be looked to to see whether the circumstances of each case as arises furnishes a justification to the bank for disclosure. In this connection it is important to notice that section 64 of the Bank Act of 1890 declares that the bank "may *deal* in, discount, and lend money and make advances upon the security of and may take as collateral security for any loan made by it Bills of Exchange, etc., etc."

Had the bank a right to sell the claim, whether it existed simply as a debt, or whether it was evidenced by the promissory note? In my opinion, the language of section 64 of the Bank Act, above quoted, is quite ample to cover the transaction in question, including the securities which were collateral to the debt or note. The bank was authorized to "deal" in these securities. Now, "dealing" in them includes the right to sell as well as the right to buy them or to lend upon them. Indeed, the idea of selling or distributing is the primary meaning of the word, rather than buying or lending. And even if this special power was not given in so many words in the Act, I think it would also be covered by the concluding words, that the bank "may engage in and carry in such business generally as appertains to the business of banking."

It is common knowledge that banks, when in need of money, are accustomed to raise it by rediscounting their negotiable paper or by pledging their securities, and, so far as I know, their right to do so has never been challenged. If they may do it for this purpose, they may do it for any other lawful purpose. It is a mere question of policy, of which the bank itself must be the sole judge. I cannot see on what grounds the Courts can interfere with the exercise of such discretion. The practice is expressly recognized by the Bank Act, as schedule D requires every bank to state the amount of its "Loans from other banks in Canada secured, including bills rediscounted."

Counsel referred to the fact that it was necessary to amend the Bank Act in 1900, to empower one bank to sell out to another, as showing that it was not lawful for a bank to sell its assets, but in view, Parliament having authorized the bank to dispose of its assets, either under section 64 or under the amendment of 1900, recognized the fact that in one case as well as in the other no one would think of buying without inspection, and did not consider it necessary that special provision should be made for it in the Act. The fact that up to 1890 the prohibition referred only to shareholders, and not to ordinary prospective purchasers of assets, may have been a reason for the case not having been specially provided for. But, even if section 46 were to have the meaning claimed by the respondent, I am not prepared to admit that the consequences would be such as laid down by the Trial Judge. However, in view of the opinion I have formed, it is unnecessary to pursue this farther.

The next question is that of Interest. Apart from actual agreement clearly proved the right of the bank to charge more than the legal rate of interest will depend upon circumstances, such as the long continued acquiescence of a customer in the charging of such a rate, his acknowledgement of the correctness of his account from time to time, etc., and in

this particular case the account having extended for ten years, we hold the bank entitled to seven per cent. up to the date upon which the manager agreed to reduce the rate to six per cent.

The question of compound interest is, however, another matter. By section 80 of the Bank Act, "the bank . . . may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent. per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank."

I do not think under the facts of this case it can be said that Ryan ratified or acquiesced in a charge of compound interest, or that he is now in the same position as if he had paid it, and was seeking to recover it back. I think that the bank, or, rather, their assignee, Montgomery, is now seeking to recover it from Ryan, and that they are precluded by this section from so doing. It may be, as said by counsel for the bank, that compounding the interest, does not amount to as much as taking out the interest in advance (that is a mere matter of computation); but that is not the question.

The result is that in the action of Montgomery vs. Ryan the appeal should be allowed, applying the same principle to the case of Ryan vs. Bank of Montreal the result is that, as the Bank of Montreal was within their legal rights in assigning their claim, the plaintiff has no ground of action against them, inasmuch as they have not committed any actionable wrong against him. I do not think it is within our province to inquire or pass upon whether or not the bank treated the plaintiff with the consideration due to a customer by a bank. Our intervention is shut off by the fact that there is no injury to him of which the Courts can take cognizance. By the assignment Montgomery obtained against Ryan no greater right or claim than was possessed by the bank. At all times since the assignment Ryan had the right to demand and obtain from Montgomery all his securities for exactly the same amount as he could obtain them from the bank. He has not to pay a single dollar more; so that I cannot see how he has been damnified.

For these reasons I think the defendants' appeal in this case also should be allowed and the action dismissed with costs.

THE TREE AND ITS FRUITS.

OUR objection to the composition of the Monetary Commission appointed at the recent session of Congress rests primarily on the belief that the Commission will be dominated by men who represent other interests than those of the people. But even if this were not so, the members of the Commission (except Mr. Burton and Mr. Weeks) are lacking in that expert knowledge without which it is impossible to construct a scientific banking and currency system. As Mr. James B. Forgan, president of the First National Bank, recently said:

> Every scientific and successful banking system in the world to-day has been established after full investigation and deliberate consideration by those whose knowledge and training and experience have made them financial experts. Nor can we hope to have a wise determination of the needs of our banking and currency system until it is left to similar expert authority.

We do not gather grapes of thorns or figs from thistles, and we shall never get anything satisfactory in the way of bank currency until the advice of real experts is followed.

Mr. Aldrich arrogantly and foolishly declared that he did not know of any bank or bank man who favored his bill!

If somebody should devise a plan of sanitation and submit it to the sanitary engineers and medical authorities, and they should unanimously reject it, would it be considered the part of wisdom to adopt the scheme in the face of such protest? And yet that is precisely what we have done with respect to the currency.

The Aldrich-Vreeland law represents the triumph of selfishness and ignorance over honesty and intelligence. And there never can be hope of betterment while legislation is controlled by men like Aldrich and Cannon, or until we have a President who has the courage to block their dangerous game.

*ASSET CURRENCY IN CANADA.

By A. C. Steven, of the Canadian Bank of Commerce, New York.

DURING this period of financial legislation, as a result of the panic of 1907, it is interesting to note, that in Canada there has been no such agitation, due doubtless to the fact that the law under which the banks are chartered is revised at regular intervals. This discussion of financial affairs in general, and banking methods in particular, results in the framing of laws, calculated to promote a banking system, which will be equal to the requirements of the business community. Banking in Canada as it stands today is therefore not the creation of a hard and fast law made in 1870, when the first Bank Act was passed, but rather the result of a succession of laws, each throwing additional safeguards around a system excellent even at the outset. Although legislation may occur oftener, it is compulsory that the Bank Act come up for revision every ten years, when the charters of the various banks are renewed, and the questions in regard to banking come before the House for discussion. Probably no question has received more attention, at these decennial periods, than the note issue, which in its present condition, lends itself admirably to the requirements of the country.

Government Issues of Limited Use.

It may be said at the outset that the Dominion Government also issues notes in volume almost equal to those of the banks. About two-thirds of this, however, is not in active circulation, consisting as it does of notes of the larger denominations ranging from $500 to $5,000, which are held almost entirely by the banks as reserve, and for clearing-house settlements. The remaining one-third is made up of $4, $2, and $1 notes, which supply the hand-to-hand currency of the country. The banks in Canada are permitted to issue notes of $5 and multiples thereof, to the extent of their paid-up capital, but in no case unless the amount subscribed be half a million dollars, with $250,000 actually paid in. The balance must be paid up within two years. This circulation reaches a field not covered by the Dominion notes, and the two issues are by no means competitive. The Government notes in actual circulation are of the smaller denominations, and naturally the amount outstanding is not great. It is interesting to note, then, that almost the entire issue of the circulating medium in Canada is supplied by the chartered banks.

Bond Security Not Required For Bank Notes.

Contrary to the system in vogue in the United States, the Canadian bank note issue is not secured by Government bonds, nor by a special pledge of gold as is the case in various countries, but by the general assets or credits of the bank, hence the name, "asset currency." This form of security is greater than appears at first sight. The law provides that in case of failure the note issue is the first lien upon every available asset of the bank. Even the deposits of the Government have no prior claim. As an example of the strength of this provision, the notes in circulation of all the banks, in comparison with the total assets, will be found to be one to twelve, and even in times of greatest expansion less than one-tenth. It would indeed be a disastrous failure should any bank be unable to pay ten cents on the dollar.

The double liability clause is an additional safeguard, not only to the note-holders, but to the depositors as well. In case of failure, with assets insufficient to liquidate the note issue, or other liabilities, the stockholders of the bank are compelled to surrender an amount equal to the par value of the shares standing in their names.

To overissue, even for one day, is strictly against the law, and by way of punishment, the Government imposes a heavy fine, ranging as high as $100,000. In periods of great commercial activity care must be exercised to keep within the limit prescribed by law. In order to make this supervision more complete, in 1900, the Bank Act was revised. so as to permit an officer of the Canadian Bankers' Association to audit the circulation books of the various banks and certify to the amount outstanding.

Absolute Safety of the Notes.

When the Bank Act came up for consideration in 1890, a provision was made requiring the banks to lodge with the Government an amount equal to five per cent. of the notes in circulation. The deposit is adjusted yearly, and made up on the average maximum issue, as shown in the monthly balance sheets, filed with the Minister of Finance. On this Bank Circulation Redemption Fund, as it is called, the

*Address delivered before New York Chapter American Institute of Banking.

Government allows interest at the rate of three per cent., and in case the receiver of a suspended bank, at the expiration of two months, be unable to redeem the notes, they are charged to this fund, which is later reimbursed from the assets of the failed bank. It is interesting to note, at this point, that not one dollar of the fund has ever been required. The law further provides for additional calls on the banks, in case of necessity, until every bank note has been redeemed. This provision is worthy of further consideration, so far-reaching is the effect. It is, in fact, an absolute guarantee of payment of all the notes of the chartered banks in Canada. In other words, this amendment to the law calls for the hypothecation of every available asset of all the banks in Canada to the redemption of the notes of any one bank, or number of banks. There can be no greater security than this, and it is not extravagant to say that the safety of a bank note issue governed by such laws is absolutely unquestioned.

Adaptability to Business Needs.

The model currency is one which works hand in hand with the business of the country, or, so to speak, is the direct result of business demand. Should the demand increase or decrease, the supply of notes must in all cases follow. This element of elasticity is absolutely necessary to a note issue which it is expected will adequately supply the wants of the business community. It cannot be said that the notes of the national banks of the United States possess this virtue, and under the present law they never will. It is amazing that they should still be bound by a law passed as early as 1863, with the direct object in view of maintaining a market for Government bonds. When the very fundamentals are at fault, it is not surprising that the currency problem in the United States is a most intricate one.

In times of great commercial activity and especially during the fall when the crops are in motion, the feature of elasticity is most prominently brought to our notice. The farmer is the backbone of the country. His crops determine the course of prices and whether or not the year will be one of prosperity. He is not a dealer in checks or drafts; to conduct his business cash is required, and in increasing quantities during the crop-moving period. As previously stated, with the exception of the small change-making notes, the Canadian banks are called upon to supply almost the entire circulating medium, and notwithstanding the extra strain to which they are subject, have always been equal to this demand. The increase at such a time will vary from twenty-five to forty per cent. above the low period. When their work has been accomplished, the notes are returned to the banks and placed in the tills in readiness for further use.

Naturally the question arises as to how such an increase in the circulating power is accomplished. Simply by the bankers being far seeing enough to anticipate the demand by keeping the paid-up capital of their respective banks considerably in excess of the notes outstanding. The branch system of banking affords them splendid opportunities of viewing the business of the country from all sides. Many of the banks have already applied to the Government for permission to increase the capital stock which may be offered to the shareholders at short notice. As the new stock is paid up, the relative amount of additional notes is issued. As will be shown later, it is profitable to issue bank notes in Canada. So long as it remains profitable (and there is no reason to expect that it should at any time be otherwise) the banks will make every effort to keep their notes in circulation, and as the demand increases, so will the amount of the paid-up capital to a corresponding degree. The demand of course is due to business activity and is supplied by the banks because to do so is remunerative. The success of the note issue is dependent largely upon this fact.

How Surplus Notes Are Retired.

Having shown how the increase is effected let us now consider the fate of the bank notes during the quieter periods. After a heavy fall season naturally the volume of business is reduced and fewer notes being required they are deposited by the public in the ordinary course of business. A bank in receipt of its own notes will reissue them after separating the soiled and mutilated, which are sent to the head office for destruction. The notes of other banks, however, are passed through the clearing-house in the same manner as checks, drafts and other demand items. In the smaller towns, where there are no clearing-houses, settlement is made direct and the outside notes are sent to the nearest clearing point. Balances at the clearing-house are settled daily in legal-tender notes or gold. Competition between the banks is very keen, and naturally their efforts are directed towards keeping their own notes in circulation and their own notes only. This results in the daily redemption of all surplus notes, and prevents the issue from being inflated. This measure is so effective as to preclude the possibility of a greater issue of notes than is actually required.

The branch system of banking is a splendid medium for the circulation of notes,

and in many districts the issue remains outstanding for a considerable length of time. In order to keep the notes at par, the banks are compelled to establish redemption agents in the principal financial districts of the country. This does not mean, however, that it is compulsory for all banks to open branches at these various points, as the work can be readily performed by those already established. In this manner the notes of an eastern bank pass current in the far west, and are not subject to discount or to delay in redemption.

Imperfections of the National Bank Notes.

It cannot be said that the extraordinary demand for cash during the fall is readily met in the United States. It is unprofitable for the national banks to take out circulation. Even should the prevailing rate of interest during the stringent period show a profit in the issue the law limiting the redemption of all bank notes to nine million dollars per month, places an effective check on the desire of a bank to issue notes from a remunerative point of view. This clause entirely eliminates the possibility of elasticity, in fact, is directly responsible for inflation. The notes are thus kept in circulation after their work has been accomplished, and they long since should have been retired. No reform in the currency laws can be accomplished while this clause remains in force. Because it is not profitable, then, the banks do not supply sufficient notes to meet the crop-moving demand. The Government notes are next resorted to. These, however, are held by the banks as reserve against their deposits, the proportion of the former to the latter being arbitrarily fixed by the National Banking Law. As this limit is approached the banks are forced to provide funds by disposing of their most available assets and liquidating the short-term loans. Although the country districts are also affected, the greatest strain falls upon the money centres where credits must be reduced wholesale and the rate for call money often reaches exorbitant figures.

In this connection it is worthy of note that the Bank Act does not require the banks in Canada to carry a fixed reserve against their deposits. Sound banking, however, does, and few banks will be found to carry in their own vaults a smaller proportion of reserve than ten per cent. of their deposits. In many cases the readily available assets will amount to from three to four times this ratio. The extra demand for cash, during the moving of the crops, is supplied almost entirely by the notes of the chartered banks and thus their reserves are in no way impaired. Credit is undisturbed and the rates of interest and discount remain practically unchanged.

The question of convertibility of bank notes in Canada requires little comment. It is directly connected with, in fact is accomplished by, the daily redemption between the banks already described. Notes presented over the counter must be paid in gold if the holder so desires, but this demand is seldom made. Even in the case of a failed bank the note holder has little cause for worry, for, from the date of suspension until the notes are redeemed, they bear interest at the rate of five per cent. per annum. Instead of being quoted below par, as might be expected under such circumstances, they actually sell at a premium.

Profit on the Canadian Bank Notes.

It is extremely profitable to take out circulation under the provisions of the Bank Act. A bank commencing business will probably find difficulty in circulating its notes extensively during the first year or so, its business at the outset being small. However, the note issue increases as the bank grows in strength until it is finally equal to the paid-up capital. The amount of notes in circulation is practically equivalent to a deposit without interest. There is no tax on the issue, and the banks are not required to pledge bonds against the amount outstanding, as is the case in the United States, nor are they compelled to make a specific pledge to carry gold as security. The profit, then, is limited to the rate of interest prevailing in the different districts and should be fractionally greater in the west. Allowance must be made for the numerous expenses of the issue, consisting of the cost of maintaining redemption agents, engraving, express charges or insurance, etc. The loss of interest entailed by the actual reserve in gold and legal tenders, which the banks through experience have found it advisable to hold for the purpose of redemption, should also be deducted. The net profit, however, on the bank note issue in Canada is variously estimated at from four to five per cent. A point worthy of note is the economy of an issue governed by such laws. The notes not in circulation remain in the Treasury ready for use at a moment's notice and do not become a liability until actually paid over the counter.

It must be said, in all fairness, that the question has recently been discussed as to whether or not the note issue will in the future be adequate during the height of the grain-moving season As previously shown, this extra strain is met by the paid-up capitals of the various banks, being kept greatly in excess of their usual amount

of notes in circulation. However, in times of stress or panic certain conditions might prevail which would make it unwise to offer stock to the shareholders. It has been suggested that during such times as we have just passed through it would be well to have power to issue an emergency currency. Probably during the next revision of the Bank Act, in 1911, or perhaps even at an earlier date, such a measure will be introduced. From this it must not be understood that the bank-note issue in Canada is inadequate, far from it, for so far it has always been equal to the demand and any such amendment as the foregoing would be merely in the nature of an extra precaution.

Time has demonstrated that bank notes in Canada are absolutely safe. With one unimportant exception occuring in the early seventies before the later safeguards were embodied in the law as it stands to-day, no bank suspending payment ever failed to redeem its notes in full. Unquestionably, the volume of notes in existence works hand in hand with, and is directly dependent upon, business conditions. This feature of elasticity, it has been shown, is directly due to: First, the business demand, coupled with the fact that it is profitable to the banks, thus causing expansion; and, second, to the keen competition between banks, resulting in quick redemption, which is an effective curb on the issue. Doubtless one of the most far-reaching provisions of the Bank Act, is the law authorizing its revision at regular intervals. It is due to this, more than to any other feature, that the note issue of the Canadian Chartered banks, has reached its present state of perfection. Such legislation, prompted by the far sightedness of the leading bank men, has produced a system of banking in Canada which has placed it amongst the foremost of the world to-day.

Asset Currency as Applied to the United States.

It is evident that banking reform in the United States has not kept pace with changing conditions. Banking methods as a whole, and especially in regard to the currency question, have of late been subject to such overwhelming criticism that legislation of a remedial nature must take place at an early date. Although the Banking Law was amended in 1900, making it more attractive for the banks to take out circulation, the amendment was the direct result of the Government to benefit by a lower priced bond being used as security. Here again, as was the case when the original law was passed, we have an example of legislation, prompted, not by the requirements of trade and commerce, but with the end in view of reducing the interest on the national debt. Under such conditions, it is not surprising that the present system of bank-note circulation has failed to provide the country with a currency issue of an elastic nature, directly governed by business demands. The Aldrich bill which has recently passed the Senate, not only provides for an emergency currency along somewhat similar lines, but places its stamp of approval upon the essential points of the law as it stands to-day—a law wrong in principle, and one which should be speedily abolished. At best, such a measure would be of value in times of panic only, and in the meantime no provision has been made for a sound and flexible currency, governed by the laws of demand and supply. It would seem that reform of a more radical nature were necessary in order that this end may be attained.

The Fowler Bill Approved.

On the other hand the proposed Fowler bill represents a studied endeavor to reform the currency laws, based directly upon the needs of the business community. Its principal features have already met with the approval of many of the leading bank men not only of New York, but throughout the country as well. It has been claimed that the bill attempts too much, but the condition of banking in the United States today calls for a thorough discussion of its underlying principles, and no reform of any account can be accomplished until the currency question has been thoroughly thrashed out. The Fowler bill is undoubtedly an important step in this direction. It seeks to provide for a sound and elastic circulating medium, the retirement of the present bond-secured circulation, and the elimination of the Treasury as a disturbing element to the banks as a whole. It is proposed to supply the country with an issue of bank-notes secured by commercial paper and other credits or assets of the banks. Provision is also made for the deposit with the Government of a guarantee fund equal to five per cent. of the notes outstanding. In order that the redemption of all surplus notes may be prompt, it is proposed to divide the country into districts, with a central point in each, to be used by the surrounding banks for clearing purposes. At these redemption agencies the banks are compelled to hold in lawful money, as reserve, a certain proportion of their notes in circulation, the ratio varying with respect to their classification as central reserve, reserve, or country banks.

The chief features of the Fowler bill in regard to the note issue, are almost identical in principle with those governed by the Bank Act in Canada. In both the banks

are permitted to issue notes to the extent of their paid-up capital, although the Fowler bill, under certain restrictions provides for an emergency issue above this point. The security in both cases is based upon the general assets or credits of the banks. In the Fowler bill provision is made for the holding by the banks of a fixed reserve in lawful money, not exceeding twenty-five per cent. of the notes outstanding, while in Canada although there is no such law, experience has demonstrated the necessity of holding for this purpose a certain proportion of legal-tender notes and gold. The five per cent. redemption or guarantee fund, to which the notes of an insolvent bank are charged should the other assets be insufficient, corresponds in a measure with the Bank Circulation Redemption Fund of the Canadian system, and in both cases this amount, which is deposited with the Government, is interest-bearing. As in Canada, provision is made for the division of the country into sections so as to insure the immediate retirement of all surplus notes. At these redemption agencies, and at the counters of the issuing banks, payment must be made in gold upon demand. In short, should the Fowler bill become law, the national banks of the United States would possess a note issue similar to that of the Chartered Banks in Canada, with respect to the following:

I. Notes issued up to paid-up capital.

II. Based upon a certain proportion of gold as reserve.

III. Secured by the credit and assets of the issuing bank.

IV. The five per cent. guarantee fund deposited with the Government.

V. The establishing of redemption agencies throughout the country.

VI. Notes payable in gold on presentation.

VII. Double liability of shareholders as additional security to notes.

An interesting feature, though not in relation to the currency question, is the provision for a guarantee fund as security to the depositors. It is surprising that such a clause should have been inserted in the Fowler bill. It is in reality as reasonable to insure the loans of a bank as the deposits; in fact, more so, for in the event of the former being specially secured, the depositors would undoubtedly be paid in full. Deposits are the foundation of banking. They are the result of confidence which is brought about by the integrity and ability of bank men. Such legislation would place all banks upon a common basis regardless of standing and efficiency. Any provision resulting in the tendency to eliminate such characteristics cannot be too strongly condemned.

Safety is the first requisite of a note issue, and the question as to whether the Fowler bill properly secures the noteholder is at present the subject of much discussion. The five per cent. fund deposited with the Government is an important provision. In addition to the security thus afforded, it tends to draw the banks closer together. Any depletion of the fund must be made good by the banks as a whole, and they are to this extent, at least, directly interested in the solvency of their neighbors. The holding of a certain proportion of lawful money in the redemption cities is an additional safeguard, but the main security is the pledging of all credits or assets against the notes in circulation. But at this point the Fowler bill goes further. It distinctly states that the general assets of the bank shall also be held against the deposits, placing both liabilities upon the same basis. While it is undisputed that they are similar with reference to the bank, in their use to the public the difference is significant. This was firmly fixed in the minds of those who framed the National Banking Law of 1863 when the notes were made at least four times as secure as the deposits. Depositors willingly accept the obligation of a bank of their own choosing, but noteholders of a comparatively unknown bank, far from the point of redemption, receive these acknowledgments of debt only because they are absolutely secure. The credit of the national banking system would be little affected by the failure of local banks, showing loss to depositors, but should the notes, scattered throughout the country, fail of redemption, the uncertainty and distrust of such a note issue would indeed be widespread. In Canada the note issue is the first lien upon a bank's assets. It is worthy of note that in the proposed reform measure of the American Bankers' Association, this safeguard is also given great prominence. The proportion of notes to deposits is so small that this preference is not marked, but it acts as a blanket mortgage toward the note issue. If the present bond secured circulation is to be eliminated, it must be replaced by one equally safe, and should such a provision as the foregoing be embodied in the Fowler bill, it would go far towards making the notes absolutely secure.

Next in importance to security comes the question of elasticity. It is evident that the Fowler bill has made ample provision for this feature. The demand for notes is directly based upon the requirements of trade and commerce and the supply expands and contracts in response to the expansion and contraction of business. Notwithstanding the two per cent. tax. the issue would be profitable to the banks, and this incentive to take out circulation would tend to keep the amount outstanding at a high

figure. But the very fact of the banks having this idea of profit in mind would cause them to direct their efforts towards immediately retiring the notes of their competitors. The prompt return in this manner through the redemption agencies, and over the counter, would adequately prevent inflation and the note issue would at all times be automatically adjusted to the country's needs. The notes thus retired would be held in readiness for a further call, and although the desire and power to issue are always present as far as the banks are concerned, to complete the transaction there must be a demand on the part of the public for actual cash. It will be seen that the redemption agencies play a most important part in the machinery of a note issue. In the Fowler bill it is proposed to divide the country into sections with a chief point in each, where the notes of the surrounding banks are to be redeemed. These central cities must be so situated as to be not more than twenty-four hours distant from any national bank. Should the details of this plan be properly carried out, the redemption facilities would doubtless be equal to those of the large European banks of issue and the banks in Canada under the branch system of banking.

A Flexible Currency Aids Crop Moving.

While the value of a flexible currency system is at all times noticeable, it is during the crop-moving period that its usefulness is most apparent. The tremendous increase in the amount of cash required at this season is at present met, to a great extent, by the Government issues, held by the banks as reserve, and upon which their very foundation rests. Any reduction below the limit fixed by law results in curtailment of credit to such an extent as to seriously restrict the business of the country as a whole. Under a proper system of asset currency the demand for cash would be almost entirely supplied by the note issue, thus leaving the Government notes and gold undisturbed to perform their duty as reserve. Reduction of credit would be unnecessary, and the present tendency of skyrocket rates for commercial paper and call money would be eliminated.

Even the most ardent supporters of the Fowler bill cannot hope for its adoption in detail, but it is undoubtedly sound in principle, and its chief features should be enacted into law. Its greatest stumbling-block, however, is the present system of Government finance, especially the use of bonds as security to bank notes, a system founded when the credit of the country was impaired, and the use for which has long since disappeared. The public is daily becoming more alive to the dangers of a bond-secured circulation, and should it become a question for the country to decide, as is by no means unlikely, the result would not remain for long in doubt.

Its use in other countries has shown the system of credit currency secured by commercial paper and other assets to be absolutely safe, and there is no valid reason why it should not be applied to the national banks of the United States. On account of the large number of banks, however, and many with small capital and reserve funds, it would be well, as an additional precaution, to make the note issue the first lien upon a bank's assets. Unquestionably a circulating medium governed by such laws would fluctuate directly with business requirements, in fact, would reflect, in volume, the specific demand for cash, rising and falling at all times as a result of prevailing conditions. Not only would the issue in itself show a handsome profit, but the tills would be filled with a form of money, representing no previous investment, and one which would not figure as an obligation until actually paid out. In the present system this till money is responsible for the curtailment of lending power of several times the amount involved.

With proper safeguards, then, "asset currency" would be equal in safety to a note issue secured by Government bonds, and in regard to elasticity, profit and economy immeasurably superior. Should such a system be finally adopted, it would tend to materially correct the ills which exist in the present system of banking in the United States.

A YEAR OF BIG MINTAGE.

NINETY per cent. of the coinage by the United States in the fiscal year of 1908 consisted of gold eagles, a coin which probably not one in a hundred people sees as often as once a year. Altogether the coinage of the country comprised seventeen different varieties, seven of which were for the Philippine Islands in pesos and centavos, and one of which of the same denomination was for account of the Mexican Government. The number of pennies turned out averaged a little less than one for each inhabitant.

The total coinage for continental United States was $215,714,862. This has been one of the most active years in the history of national minting. Of this amount $179,238,337 were in gold and $16,532,477 in silver, or about the ratio of one of silver to twelve of gold. The coinage for the Philippine Islands included more than 25,000,000 pieces valued at $18,121,825, or more than the total silver coinage for the United States.

MUTUAL GUARANTY OF DEPOSITS.

By H. M. P. Eckardt.

STUDENTS of banking in various countries will be interestedly watching the working of the famous Oklahoma deposit-guaranty law during the first few years of its existence. Bankers especially will be disposed to follow closely the results of such failures as occur amongst the banks contributing or participating in the mutual guarantee. Press dispatches state that the collapse of one small Oklahoma guaranteed bank—the Bank of Colgate—is regarded as furnishing capital for the advocates of a more general system of guarantee. From the meagre details that have been published it appears that this little institution with deposits of $38,000, was ruined "owing to the rank mismanagement of the officers." The dispatch goes on to state: "The bank's cash fell $22,000 short of the amount needed to pay off the depositors, and the Bank Commissioner drew on the deposit guaranty fund for the amount and paid off every creditor."

Such an outcome of the failure of a bank which was rankly mismanged would undoubtedly be highly satisfactory—for its creditors. As they got their checks for their rescued deposits they would be disposed to throw up their caps and shout for the principle of deposit guaranty. For them it proved an excellent thing. They had entrusted their money to the keeping of men who were not capable of caring for it well and honestly; and when the inevitable crash came deposit guaranty saved them from harm.

Who Foots the Bill.

But there is another side to the matter. How is the circumstances regarded by the contributory bankers who put up the money which went to pay off the depositors in the Bank of Colgate? It happened that this first failure to which the act applied was of a small, one might call it a tiny, bank. The next one to occur may be of more consequence. However, let us follow the course of the payments under the guarantee. We have seen how the creditors all got their balances. The money which they were paid would first be charged off the general fund held by the Bank Commissioner. Afterwards the charge would be distributed by assessments amongst the individual banks participating in the guarantee. As the law compels each one to maintain in the fund a sum equal to one per cent. of its deposits, and as that one per cent. would be broken into for the purpose of paying off depositors in the failed institution, each one would have to remit the amount of its assessment. The only practicable way of levying the assessment would be pro rata according to the amounts contributed by each member. And the amounts contributed by each member would be according or proportionate to the amount of deposits held by it. Thus it would work out that the bank among the Oklahoma guaranteed banks that carried the largest amount of deposits would be required to pay the largest share of the loss occasioned through the Colgate failure. And of course it will have to pay the largest share of all the other losses that occur.

It is to be borne in mind that though the contributory banks may, as permitted by the Oklahoma law, count a part of the original one per cent. as an asset for balance-sheet purposes, they would be obliged to charge straight against their profits or revenue the whole of such fresh assessments as they may be subsequently billed for. Thus the losses are to fall upon the stockholders of those contributory banks that continue to be "going" concerns.

In every case where the guarantors thus satisfied the depositors of a failed bank they would, of course, acquire a lien, or a right to rank as creditors upon the property and assets of the failed bank; and it is certain that through the liquidation of these assets they would be able to reimburse themselves to a limited extent for moneys advanced by them. The extent of these recoveries would depend altogether upon how bad were the failures in which they were involved. In no case could they ultimately come out better than the depositors themselves would have fared had there been no guarantee. Thus, if a guaranteed bank fails and its assets only realize enough to pay its depositors fifty cents on the dollar, then the guaranteeing banks in the aggregate would lose a sum equal to fifty per cent. of the failed bank's deposits.

The fact of the guarantee does not eliminate or reduce the losses from bad banking; it merely transfers them to other shoulders. As everybody knows that it takes several years to liquidate the average failed bank it is quite easy to see that a few break-downs of guaranteed banks having goodsized deposits would assuredly result in entailing a very inconvenient lock-up of funds upon the other contributory banks. That contingency would have to be faced even in the unlikely eventuality of the failed

banks ultimately liquidating so satisfactorily as to pay their creditors in full.

Restrictions on Banking—Better Examinations.

So one of the most important questions in connection with any such plan of guarantee is "How will it affect the number and result of bank failures?" In connection with the going into effect of the Oklahoma law some special restrictions and safeguards were placed about banking operations; also it is provided that banks joining the guarantee are to be examined specially. If there should be a decrease in bank failures in that state it will be reasonable to say that it is due to the more careful watch kept on the banks and to the restrictive laws rather than to the fact of the guarantee. It is not easy to see how the guarantee itself can effect reductions in the number of failures or make such failures as do occur have more favorable results. It would undoubtedly have a considerable effect that way if the responsible guaranteeing banks enjoyed any sort of control or supervision over the operations of each individual institution that came under their guarantee.

It is a much more important action than people in general appear to think for a bank to guarantee the liabilities of another bank.

When the Barings suspended in 1890 the Bank of England assumed their liabilities—a number of the joint stock banks of London joined in guaranteeing the Bank of England against loss. This action was taken after the interested parties had made a close and careful examination of the Baring assets. Also, in Canada, within the last two years the associated banks assumed the liabilities of the Ontario and Sovereign banks, but not before they had subjected the assets to the closest and most careful scrutiny.

It may be objected that these cases should not be cited as bearing upon the subject of United States banks entering upon a guarantee of the deposits of other going United States banks. They are cited as examples of bankers following the very necessary and proper course of informing themselves thoroughly as to the exact condition prevailing in concerns over which their guarantee was to be placed. In England, and in Canada too, instances are occurring from time to time of one bank taking over or absorbing the business of another bank. This is never done until the to-be-absorbed institution is severely examined in every detail.

When the absorbing bank *knows the other's condition* then it assumes its liabilities, takes full possession and enjoys the profits from the business acquired. Under the Oklahoma system of mutual guarantee, or under any like it, the good banks are obliged to place their valuable guarantee blindly upon a lot of institutions about whose condition they know little or nothing. In other words they, in association, take pretty much all the risk which a British or Canadian bank takes when it assumes the liabilities of another bank, but they know little or nothing about the business for which they have become liable; they have no control or supervision, and no share in the profits; and thus they are not able to protect themselves properly, and they do not get the increased profits to which the assumption of an added liability should entitle them.

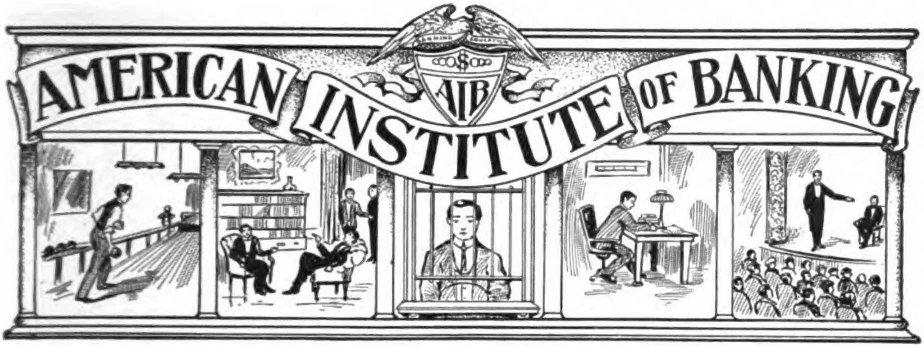
The only thing that causes them for a moment to consider such a scheme is the fact that the guarantee is to be shared in by so many banks and by such a large aggregation of capital and resources. Each banker in favor of it reasons that his own particular share of the losses will probably be small and that his deposits will likely show a satisfactory increase. And of course it goes without saying that the banks whose standing and credit were not as strong as they might be would be apt to favor a scheme calculated particularly to benefit themselves.

If it were a matter of any individual banker entering into a mutual arrangement with another banker, perhaps located in a neighboring state, whereby each one guaranteed the other's deposits both parties would want to be well satisfied as to what was being undertaken, and as to what would be the probable gain or loss before the treaty was signed. Yet the same principle is at stake as in the case of mutual guarantee in which all banks participate.

After the panic of 1893 the depreciation in securities, in commodities, real estate and other property caused a very heavy increase in the number and importance of banking failures. There is every reason to expect that the depreciation in securities, and in other properties which the banks own or have advanced against, following the panic of 1907 will cause an increase of failures during the years immediately after the panic. Since 1908 began, quite a number of failures, some of them important, have occurred. The risk attending any general or indiscriminate guarantee is therefore greater at the present time than the record of bank failures during the last eight years or so appears to indicate.

A SAVINGS BANK.

An Irishman describes a savings bank as a place where you can deposit money today, and draw it out tomorrow by giving a week's notice.—*Exchange.*



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

ON TO PROVIDENCE.

Everything is Ready for what Promises to be the Institute's Most Successful Convention.—Forecasts by Committee Chairmen.

ALL indications are that the sixth annual convention of the American Institute of Banking at Providence, R. I., July 23, 24, and 25, will be the biggest and perhaps the most important convention since the organization of the Institute.

President A. Waller Morton, of the Associated Chapters, makes this ante-convention statement:

Judging from the reports which I have received from the chairmen of the several committees, I have every reason to believe that the delegates to this convention will derive as much benefit, if not more, than they have at any previous one.

A glance at the list of speakers who will address us, as outlined by Chairman W. I. Dey, guarantees that this portion of the program will be most interesting and instructive.

The educational committee will present a report which will contain much food for thought by every delegate present. The time which has heretofore been utilized by the reading of papers by chapter men will be devoted to an open debate on some of the currency reform measures which are now receiving so much attention. This feature will be conducted by the educational committee, and if for no other reason than the opportunity which it will afford many of the delegates to stand up and express their views, should prove most beneficial.

The annual debate will be between teams from Minneapolis and Pittsburg Chapters, on the subject, "Resolved, That all banking institutions in New York city be required to keep a larger cash reserve."

Providence Chapter has mapped out entertainments for us in a most liberal manner. On Thursday afternoon they take us to Newport, a city whose residents probably represent more wealth than those of any other city of the same size in the world. Friday afternoon they will prove to us the delights of a good old-fashioned Rhode Island clam-bake, and having given us an opportunity to feast the inner man, they will then give us an opportunity to feast the eyes upon the beauties of Roger Williams Park. Saturday evening they will cap the climax by entertaining us at a banquet at Churchill House.

Pursuant to instructions from the board of trustees, a new constitution, providing for the chapters to assume the management of the Institute, was presented at the Detroit convention, and after careful consideration was approved, with some few amendments.

This constitution, as amended, has since been approved by the board of trustees of the Institute, and by the executive council of the American Bankers' Association, with the single amendment by the latter body to the effect that any amendments to our constitution must receive their approval before becoming operative.

It will be seen from Article VII., Section 2, that the chairman of our executive council must be duly qualified to represent the Institute before the American Bankers' Association. It would seem that the natural outgrowth of this situation would be for the Institute to be made a section of the American Bankers' Association, with this one representative on their council.

Speaking in a personal capacity, and not officially, I desire to say that it has been said to me that the American Bankers' Association would likely look with favor upon such a proposition coming as a request from the Institute. Why should we not make the request? What more dignified position could we possibly hope to attain than a section of the American Bankers' Association?

It has been asked why we allow them to support us, but I do not feel that they are supporting us when we are paying over fifty per cent. of the expense of our maintenance. And again, are not the banks in-

GEO. A. JACKSON
Newly Elected President of Chicago Chapter.

ARTHUR A. BRIGGS
First National Bank, Vice-President Chicago Chapter.

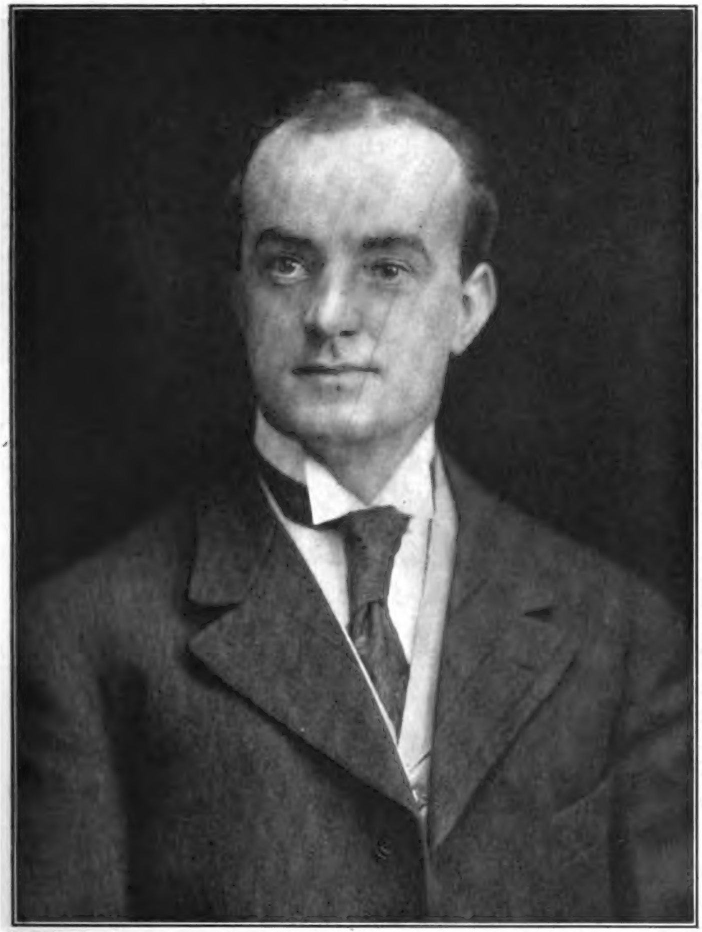
GEO. R. MARTIN
Treasurer Chicago Chapter

CHARLES G. FISHER
Secretary Chicago Chapter.

directly as much benefited as we ourselves? I, therefore, claim that the two organizations should remain in perfect accord and, to my mind the section idea is the best solution of the problem.

In conclusion, I respectfully ask every delegate to give this matter careful and deliberate consideration, so that when we

at 1.30 P. M., passing down west passage around Beaver Tail. Carriages will be taken for a ten-mile drive on arrival in Newport. Steamer will leave Newport at 6.30 P. M., sail being extended through the evening, arriving in Providence about 11 P. M. Collation served on homeward trip. Music furnished by Hawes orchestra.



GOVERNOR JAMES H. HIGGINS, OF RHODE ISLAND

Who Will Speak at the Banquet.

gather in Providence we may decide it to the best advantage of all concerned.

The Local Arrangements.

W. A. Havens reports on the local arrangements at Providence as follows:

The Narragansett Hotel has been selected as convention headquarters, and the sessions of the convention will be held in Elks' Hall, 126 Mathewson street. Following is an outline of the local arrangements:

Wednesday, July 22 — Pre-convention smoker at Keith Hall, 260 Westminster street, 7 to 11 P. M.

Thursday, July 23—Steamer Warwick to Newport. Leaves foot of Crawford street,

Friday, July 24—Steamer from foot of Hay street, for Field's Point at 5 P. M., where a genuine Rhode Island clam-bake will be served. Return to Providence at 6.20 P. M. Special cars at landing for Rocky Point and return to Roger Williams park. Band concert at park. Dancing in casino, 10 to 12. Music, Hope orchestra.

Saturday, July 25—Banquet at Churchill House at 7 P. M. Music, Fay's orchestra; Bowen R. Church, cornet soloist. The Orpheus Quartet. Ladies' theatre party at Keith's, at 8 P. M.

The programme of speakers as announced by Chairman Dey is as follows:

On Thursday morning the Hon. Patrick J.

SIDELIGHTS ON THE PROVIDENCE CONVENTION

Drawn especially for THE BANKERS MAGAZINE by Raymond R. Olson.

McCarthy, Mayor of Providence, will make the address of welcome.

Prof. J. C. Monaghan, ex-chief of Division of Consular Reports, Department of Commerce and Labor, who made such an able address at the banquet in Detroit last year, will speak Thursday morning on the subject, "America and Her Young Men."

Henry Clews, of New York, one of the country's foremost bankers, will speak to us Friday morning, his subject being, "The Financial and Trade Situation Comprehensively Reviewed." As Mr. Clews is considered an authority on questions of finance, a most instructive address may be expected.

Saturday morning our old friend E. D. Hulbert, vice-president of the Merchants Loan and Trust Company, of Chicago, has kindly consented to be with us and will speak on the subject "Our Banking System."

Our banquet promises to be most enjoyable. We have been so fortunate as to secure the Hon. Rathbone Gardner, president of the Union Trust Company, of Providence, as our toastmaster. Mr. Gardner has the reputation of being a pastmaster in the art of presiding at banquets.

John T. P. Knight, secretary and treasurer of the Canadian Bankers' Association, and manager of the Montreal clearing-house, who is famed for his after-dinner speeches, will, as he says, make an effort not to bore those who attend, and the subject of his remarks will be "Matured Obligations."

Governor James H. Higgins of Rhode Island has accepted our invitation, and we are looking forward to having him with us at the banquet.

We shall also have the pleasure of listening to O. H. Cheney, an old New York Chapter man, who has recently been appointed deputy superintendent of banking in New York state.

Two other prominent men have signified their desire to be with us at the banquet, but we cannot positively announce their names at this time.

W. A. Prendergast of New York city, who is an expert on credits, and an exceptionally eloquent speaker, with an inexhaustible fund of good stories. His subject will be "Public Sentiment and Currency Reform."

Transportation Rates.

A rate of a fare and three-fifths has been offered to delegates by the Trunk Line Association.

Other rate concessions are: A fare and a third round trip from points in New England and Eastern Canada, and a rate of a fare and three-fifths for the round trip from points in the territory of the Trunk Line Association, which is New York, New Jersey, Pennsylvania east of Pittsburg, Delaware, Maryland, West Virginia, and Northern Virginia.

No special rates have been granted from other parts of the country. The committee is informed, however, that in the territory of the central and western passenger associations a rate of about two cents a mile will be in effect, and, further, that from a great many points in the central, western, and southwestern states an appreciable saving may be made by taking advantage of the summer excursion rates that will prevail.

In connection with the special rates in the eastern territory, already mentioned, it should be said that return tickets under this plan are limited to about three days, are good for return only over the same line, and cannot be obtained unless 100 or more certificates are held. The rates are granted under the certificate plan. The full fare is paid on the trip to Providence, and if the reduced rate is desired a certificate must be obtained from the ticket agent at the starting point. If 100 of these certificates, issued by the Eastern Canadian, the New England, and the Trunk Line associations are held by delegates at the convention, the holders of the certificates may obtain the reduced rate of a third or three-fifths fare, as the case may be, for the return trip within the territory of these associations.

It may be possible for the delegates from the states in the territory of the Trunk Line and New England associations to co-operate, and by that means get the benefit of these rates; but, on account of the return limit, the restriction as to the return trip, the short distance for which the rates are available, and the small saving in fare, it is likely that the delegates from the central, western, southern and southwestern states and from all points west of New York and Pennsylvania will not find it worth while to take advantage of them.

Chicago's Special Train.

A "Convention Special" train will leave Chicago, Tuesday, July 21, from the Park Row and 12th street station at 1 p. m. over the Michigan Central Railroad. The train will consist of Buffet-library-baggage car, a diner, *a la carte* service, and pullmans, and will be first-class in every particular. The route of the train will be via Michigan Central to Buffalo, New York Central to Albany, Boston & Albany to Worcester, and New York, New Haven & Hartford R. R. to Providence. The trip is to be without change of cars, arriving there early Wednesday afternoon, July 22

Owing to the lack of any material general reduction in railroad rates for the convention, Chicago Chapter's delegation has selected the above fast all-rail route, and invites the entire delegations from the following cities to share with us these special transportation facilities: Appleton, Davenport, Decatur, Des Moines, Duluth, Eau Claire, Fond du Lac, Hastings, Neb., Indianapolis, Kansas City, La Crosse, Little Rock, Ark., Los Angeles, Milwaukee, Minneapolis, Oakland, Oshkosh, Peoria, Pine Bluff, Ark., St. Joseph, Mo., St. Louis, St. Paul, San Francisco, Seattle, Spokane, Springfield, Ill., Superior, Wis., Terre Haute, Ind., Detroit, Mich., and all delegates and friends from the state of Michigan.

The visiting delegations upon their arrival at the Grand Pacific Hotel, Chicago,

will be met by an entertainment committee. Coaches will be provided to convey the local delegations and guests, also hand baggage, from the Grand Pacific Hotel to the train. It is most important that those who desire accommodations reserved for them on the train should make application stating the number in your party, at the earliest possible date, to George A. Jackson, Continental National Bank, Chicago, chairman transportation committee of convention, who will assign space and advise you of your reservation, also gladly furnish any additional information.

The committee of the Chicago delegation consists of: H. E. Ellefson, secretary, Commercial National Bank; C. Frank Spearin, Corn Exchange National Bank; Frank C. Nason, First National Bank.

Convention Committees.

The convention committees are as follows:

Badge and registration—Allen H. Newton, chairman, Connecticut Trust and Safe Deposit Co., Hartford.

Debate committee—Clarence Evans, chairman, National Union Bank, Baltimore; F. B. Devereaux, National Savings & Trust Co., Washington, D. C.; George B. Irrick, Exchange State Bank, Stuart, Iowa; E. A. Fitzpatrick, Miners Savings Bank, Pittsburg, Pa.; C. J. Shepherd, American National, Indianapolis.

Education — Alexander Wall, chairman, First National, Milwaukee; James D. Garrett, Central Savings, Baltimore; H. S. Andrews, Garfield National, New York City; Blake S. Raplee, Union National, Cleveland; Edwin H. Green, Central National, Kansas City.

Hotel and banquet—G. A. Harrington, chairman, Rhode Island Hospital Trust Company, Providence; M. H. Laundon, Society for Savings, Cleveland.

Membership—G. Peter Jones, chairman, Merchants National, Richmond; D. W. Hakes, Springfield Institute for Savings, Springfield, Mass.; Geo. A. Schulze, West End Bank & Trust Co., Cincinnati; Fred W. Ellsworth, First National, Chicago; R. S. Hecht, Hibernian Bank & Trust Co., New Orleans.

New business—E. S. Eggers, chairman, Union National, Pittsburg; John Henderson, National Bank of Rochester, New York; Claude A. Philbrick, First National Bank, Seattle, Wash.; S. L. St. Jean, National Bank of Commerce, St. Louis; H. G. Ralm, National Exchange Bank, Milwaukee, Wis.

Programme—W. McK. Stowell, chairman, Lincoln National Bank, Washington; H. Howard Pepper, Industrial Trust Co., Providence; Wm. S. Evans, care Rufus Waples, banker, Philadelphia; A. L. Roth, Second National, St. Paul; W. A. Wilkinson, Mercantile Trust Co., St. Louis.

Speakers—W. I. Dey, chairman, Peoples Bank, New York; J. C. Loomis, Aetna National, Hartford; J. G. Sonneborn, Ninth National, Philadelphia; Dean Clark, Citizens National, Vandergrift, Pa.; E. P. Vanderberg, National Bank of Commerce, Detroit.

Transportation—George A. Jackson, chairman, Continental National Bank, Chicago; R. G. Lowe, Bank of Portsmouth, Va.; H. L. Wilcox, National Bank of Commerce, Providence; A. J. Duerr, Bank of Buffalo; LeRoy H. Civille, First National Bank, Los Angeles.

The press committee, C. F. Spearin, Corn Exchange National Bank, Chicago, chairman, consists of the presidents of all chapters.

The Official Program.

The official program for the convention is as follows:

WEDNESDAY, July 22.

7 to 11 P. M. Keith Hall.
Smoker.

THURSDAY, JULY 23.

9.30 A. M. Elks' Hall.
Invocation, Rev. L. L. Henson, D.D.
Address, Hon. P. J. McCarthy, Mayor of Providence.
Address, Prof. J. C. Monaghan of Notre Dame University. Subject: America and Her Young Men.
Papers by Institute Members.

1.30 P. M. Steamer Warwick to Newport.
Leaves foot of Crawford street, passing down West Passage around Beaver Tail.
Carriages will be taken for Ten Mile Drive on arrival in Newport.
Steamer will leave Newport at 6.30 P. M., sail being extended through the evening, arriving in Providence about 11 P. M.
Collation served on homeward trip.
Music furnished by Hawes Orchestra.

FRIDAY, JULY 24.

9.30 A. M. Elks' Hall.
Invocation, Rev. George W. Kent.
Address, Henry Clews, Esq., of New York.
Papers by Institute Members.

2.30 P. M. Elks' Hall.
Convention Debate. Subject: Resolved, That all banking institutions in New York City be required to keep a larger cash reserve. Contestants, affirmative —Pittsburg Chapter; negative—Minneapolis Chapter. Judges, Hon. Frederic H. Jackson, Hon. Joshua M. Addeman, Lewis A. Waterman, Esq.

5 P. M. Steamer from Foot of Hay Street for Field's Point.
Where a genuine Rhode Island clambake will be served. (Complimentary to delegates only.)
Return to Providence at 6.20 P. M.
Special Cars at Landing for Rocky Point and Return to Roger Williams Park.
Band Concert at Park.
Dancing in Casino, 10 to 12.
Music, Hope Orchestra.

SATURDAY, JULY 25.

9.30 A. M. Elks' Hall.
Invocation, Rev. Edward S. Ninde.
Address, E. D. Hulbert, Esq., of Chicago. Subject: Our Banking System.
Business Session.
Election of Officers and members of Executive Council.
Selection of Convention City for 1909.

7 P. M. Churchill House.
Banquet. Toastmaster, Hon. Rathbone Gardner. Speakers: John T. P. Knight, Esq., Secretary Treasurer Canadian Bankers Association, Manager Montreal Clearing House. O. H. Cheney, Esq., Deputy Superintendent of Banking, New York. W. A. Prendergast, Esq., of New York. Hon. George H. Utter, former Governor of Rhode Island.
Music—Fay's Orchestra, Bowen R. Church, Cornet Soloist; The Orpheus Quartet.

8 P. M. Ladies' Theatre Party at Keith's.

The dinner at Field's Point is the special offering of members of Providence Chapter to the delegates. Other entertainment is provided through the courtesy of the banking institutions of Providence and the Providence Clearing House Association.

THE AMERICAN INSTITUTE OF BANKING.

Address Given Before the Washington State Bankers' Association, June 18, 1908, by W. F. Paull, Trust Officer of the Union Savings & Trust Co., Seattle.

IT may seem to some of the older bankers present, an act of presumption on my part to assume to address this honorable body upon any subject whatever, but if you find it is presumption, I trust you will excuse it because of the very deep interest I feel in the subject assigned to me, and because of its very great importance to yourselves and the country at large.

The American Institute of Banking is now in the eighth year of its existence. It was organized in 1900, by a committee appointed at the national convention of the American Bankers' Association, for the purpose of drawing closer together in an educational and social way, those employed in the business of banking. It will not be necessary for me to go into a retrospective history of the organization, or details of its subsequent management, as undoubtedly you know as much about it as I. It might be well to remind you, however, that it was a desire to educate the public and not the bank clerk, that was first in the mind of the American Bankers' Association. The plan is being worked out perfectly, but indirectly, and in a way that they did not anticipate at the time the idea was first presented.

The organization is conducted under the auspices of the American Bankers' Association to promote the education of bankers in banking through the organization of chapters and alliances with schools of finance and law, and to fix and maintain a uniform standard of banking education by means of official examinations and the issuance of certificates.

Its Rapid Growth.

The Institute and its objects have proved so attractive to the bank clerks of the country, that in the seven complete years of its existence, it has attained a membership as Secretary Allen so aptly puts it, "of nine thousand of the best and brainiest young men that God ever made, who will in a few years, furnish the financial ideas of the United States." This rapid growth is conclusive evidence of the merit of the plan.

It is not the policy of the Institute to create and maintain any independent educational enterprise, but rather through its organization to affiliate with and receive the benefit from established schools of finance and law. Following this plan, the organization has been confined, to the present time, chiefly to cities of considerable size, where such schools might be available, there being little or no attention paid to the one lone clerk in the country bank, unless his residence chanced to be near a city having a chapter—but this defect has been remedied, for in the last few months, a correspondence chapter has been organized with Mr. Fred I. Kent, manager of the Foreign Exchange Department of the First National Bank of Chicago, as its president. This correspondence chapter has already reached a membership of 817, composed principally of country bankers and bank clerks. The correspondence chapter has affiliated itself with the Scranton Correspondence School, and courses in practical banking, commercial law, and political economy have been established under the supervision of a committee from the Institute. Any of these correspondence courses may be taken by chapter members for a fee thirty per cent. less than that charged others. By reason of the serious thought and attention given to the organization of the correspondence chapter by the Institute officials, the opportunity to gain a thorough banking education has been put within reach of every man in the country.

Banking Education.

The Institute has no apology to make for its existence. It was brought into being by the American Bankers' Association, who realized that there was a strong and insistent demand on the part of the bank clerk for an opportunity to increase his knowledge along banking lines. The intelligent banker of 1900, prior to the organization of the Institute, looked around and was very greatly surprised to find no adequate facilities for learning the banking business, finding only one or two schools in the country where a proper financial education might be obtained, and these schools beyond the reach of the great majority of bank employees. Other intelligent bankers of 1900 said they grew up in the school of experience and did not see why that wasn't just as good for the junior man of to-day as it had been for them, but it has not taken long for those intelligent bankers to see the advantages to be gained in the working out of the objects of the Institute and the results to-day, amply justify the highest expectations.

The history of the Seattle chapter, organized three years ago last October, is only the repetition of the history of all other chapters of the Institute. During the first two years of its existence, during which time I had the honor of filling the executive chair, there were in the city fifteen promotions of clerks to official or junior official positions. Out of this fifteen, thirteen were members of our chapter. Now I do not claim that the chapter was responsible for the advancement of these men to positions of higher responsibility, but I do claim that it convincingly shows that the chapter is made up of men who are earnestly and sincerely trying to better themselves and their institutions and find the chapter work the best means of doing so.

It will take no argument on my part to convince you that the Institute plan of study and work is of vast importance and benefit to every bank official as well as every bank employee but more than this, its scope and influence extends out into the world at large. The institution feels the effect of it. The teller, inspired by the success of others, takes up the study, finds out the theories and reasons for all the things he has been doing. He is better able to wait upon the bank's customers, answering in a satisfactory manner any question, simple or intricate, the customer might ask. Thus the customer is benefited. The customer's knowledge spreads to his close associates. Let me ask you: How long will it take to raise the plane of banking intelligence in any community, under this means of diffusing knowledge?

Preparing for the Future.

Let me ask you again: What will be the ultimate result of this effort to properly educate the bank employee?

The next generation of bank officials will be the bank clerks who are the institute members of to-day. Through this plan of education which has been made comparatively easy for them and which they are earnestly seeking, they will make on an average, better officials than any who have gone before. You will find them present at the inception of any proposed financial legislation, keeping their watchful minds upon it until the law is passed, thereby insuring to the commonwealth in which they live better and more enlightened laws relative to the finances of the country, and demand a more strict enforcement of such laws.

The banker of to-day is ordinarily a man who has grown up in the business, seldom having more than a High School education, and often times not that much. You will find him a shrewd and careful business man and one to whom the community looks with respect. On the other hand, you will find him a man of little or no education or acquirements outside of his own particular line. Ask any average banker to make an extemporaneous speech and you have him floored. Test his grammar and you find him wanting. In other words, his training has not brought to him a degree of intelligence compatible with his calling.

Again: This country has just passed through a period of depression which has caused the banker much serious thought. So long as man lives, moves and has his being, there will undoubtedly be recurring periods of financial stringency, but by giving the banker the same amount of training and development along his line as is accorded other professions, you will find no such serious situation to be met, as compared with last fall, for, as the physician with the foresight acquired by a complete education is able to forestall disease, so may the banker, with a minute understanding of past occurences, their causes and effects, be able to forestall, to a large measure, any threatening period of financial depression. All this is to be accomplished through the course of study adopted by the American Institute of Banking. Every man in the country or city bank should take this course. It matters not what his salary may be—a proportionate part of it, invested in the enlarging of his conception of banking problems, will prove the best investment he can make.

Helping Young Bankers.

And now let me say what I believe to be vital to the future financial prosperity of this country. Keep your eye on the young man in the bank. Do not merely watch what he is doing and how, but lend a helping hand to his efforts. You older bankers were young once and struggling with the same problems and conditions as he. Think back a few years and find a little sympathy in your thought for him. He comes to you with a question. Do not turn him away with a curt, short answer which tells him what to do but not why. Explain the reason of the action to him. That gives him a foundation to work upon. He is as anxious, or more so, to acquire proficiency in his work as you are to have him, but nine times out of ten, you lend him no aid. Give him the benefit of your experience, and he will pay you back an hundred fold for your trouble. Again: Discourage the wrong associations you find him making, those that do him no good in an educational way, the same as you would if you found him in a gambling game. You have a great deal of influence with your employees, whether you realize it or not, and a word of encouragement from you when you find him in study or research, will bring forth a more determined effort on his part.

Look upon the young man employee of your institution in the light of his future, for he is one who will shape the financial destinies of the greater northwest in the years to come, when problems of economy and commerce will be of greater magnitude than we in the earlier days of this promising section can even dream of.

My plea is for the young man, give him a helping hand, so that when he comes to mature judgment and experience, he will be one of the indispensible component forces which will insure the ultimate commercial supremacy of this wonderful portion of the best country that God ever created.

THE PROVIDENCE-NEW YORK DEBATE.

Brief Extracts from the Speeches on Government Guarantee of Bank Deposits.

UPHOLDING the negative side of the question: "Resolved, That the best interests of the country demand Government guarantee of bank deposits," the Providence Chapter debaters defeated the New York Chapter team at New York on May 16 last.

Extracts from all the speeches are as follows:

AFFIRMATIVE.

Would Do Away With Runs.

F. G. Crane:

Now we have seen that the bank rests upon the depositor's confidence in it, and that the depositor has no actual guarantee that he can get his money when he wants it. Why not give him such a guarantee? A guarantee that would allay his fears in times of stress. He would no longer rush to the bank and embarrass it with a demand for the immediate payment of all of his money when the bank has only twenty-five per cent. or less of its deposits on hand. He would only draw what he needed and so would every other depositor and there would be no panic. Again, the man who holds a check on a bank would have his uncertainty cut in half. He would no longer have to have knowledge of the financial soundness of both the drawer and the drawee. The soundness of the drawee is assured to him and he need only look out for the drawer. There were hundreds of checks of perfectly responsible men held up and delayed in being cleared last October, on account of uncertainty as to the drawee bank. This assurance of the soundness of the drawee would be immense relief and by just so much would it tend to make checks a more liquid medium for transacting the business of the country which would clearly be a great stimulus to trade.

The Public Would Be Benefited.

F. P. Gruenberg:

Now, roughly speaking, you will find that if you ask the opinions of people on this question that most laymen favor Government

guarantee, while most of our oponents are bankers. I'm not saying that all are the one and all of the others the other, by any means. I merely make the general classification which I am sure most of you have found to be correct. This would make it appear that the public would profit by the Government guarantee of deposits, while banks and bankers would not benefit. Now, granted for the sake of argument, that such would be the case, we come back to our old question of "What are the banks for?" "Do the people exist for the benefit of the banks, or do the banks exist for the benefit of the people?" We must come back to the fact that banks are, and must be quasi-public in character, and so I say that if the banks were not benefited by any proposed legislation, but if that legislation made for the public's weal, that legislation is desirable legislation, and every public-spirited citizen will assent. "Howsomever," we do not see that the banks are going to suffer at all by such a plan, unless, perchance, rigorous, honest examinations are suffering. Possibly they are for the kind of banker whose existence is "not to the best interests of the community."

From The Bank's Standpoint.

H. L. Tompkins:

Now, gentlemen, when there is a run upon a bank, that institution has lost all credit. What does it do? Instead of paying out as fast as possible, the exactly opposite method is pursued. All kinds of schemes are resorted to to gain time. Sometimes only three or four payments are made in a day. Is this system of putting off until tomorrow possible for the bank next door or across the street? No! These have a reputation to keep up. It therefore usually happens that upon them though seemingly unaffected the run bears most heavily. Wouldn't a plan which prevented this state of things benefit the solvent bank? Of course it would. Runs are usually an incident of the acute crises which just precede business depressions. These are periods of falling prices. To realize upon the assets of a bank in a falling market only adds to the trouble. Wouldn't a plan which prevented the necessity for this kind of thing be of benefit to all solvent banks?

NEGATIVE.

It Is Not Demanded.

Charles L. Eddy:

Government guarantee is not demanded by the people. Such publications as the Financial Chronicle and the Bankers Magazine have condemned it.

It is not demanded because it has met a poor reception at the hands of legislative bodies. It was defeated in Congress, and only two Democratic senators voted for it. It was overwhelmingly defeated in Ohio: Kansas has refused even to consider the scheme, as was at first contemplated, because of the experience in Oklahoma. Illinois has rejected it, within a few months, providing for private insurance instead.

Moreover, the best financiers in this country oppose this measure. It has been discussed before state bankers' conventions, but we have yet to learn of any favorable action having been taken. It has been defeated at a convention of the American Bankers' Association, and James B. Forgan of Chicago, Francis B. Sears of Boston and Frank A. Vanderlip of your own city condemn it in communications which we hold in our hands. The demand for this radical measure cannot be discovered.

We would recommend that the reserves of state banks be patterned after the provisions of the national banking act and the present state requirements of Massachusetts and New York, that bank examinations be made with greater frequency and more rigidness, and that bank examiners, through the heads of their departments have the power to reduce loans in excess of the law: that the office of examiner be taken from politics, made a life position, with removal for just cause, and that appointments be granted only after fitness has been proved by passing a civil service examination, and that the salary of examiner be commensurate with the duties required, and further, that directors be held more strictly accountable for losses sustained through overloaning or mismanagement. Ex-Comptroller Ridgeley has recommended these changes in successive reports, and we maintain that such reform is better calculated to protect depositors than Government insurance of deposits in failed banks.

Guaranteeing Loans, Too.

W. G. Meader:

For we must bear in mind that the Government guarantee of bank deposits means Government guarantee of loans, since the usual reason why a bank cannot pay its depositors in full is that its loans are insecure. As these are secured by the Government, the bank executives will be less careful to select "gilt-edge" loans, and will be more eager to obtain those which offer larger returns with correspondingly less security. Especially will this be true of the weak banks. There is no danger of loss to depositors, since the Government has insured them against loss. We see then that this system would injure the banking business by discouraging sound banking and by encouraging speculation.

A Paternalistic Theory.

F. L. Hall:

The principle of Government guarantee is founded on the paternalistic theory of Government which asserts that the people are unable to manage great private enterprises for the public good, and which would therefore have the government act like a great father in protecting them. The doctrine is held chiefly by Socialists and is in practice in but few nations, of which Russia is easily the most typical case. In America, this doctrine has been warmly opposed as dangerous, and as contrary to the principles on which this nation was established and is still maintained.

* * * *

The banks must necessarily set aside a considerable sum in order to establish this guarantee fund. This expense by any plan yet proposed is going to be quite an amount for the banks to pay. But the banks will not cut their profits and their dividends to maintain this fund for the benefit of the depositors. On the contrary the banks will cut down the rate of interest on the depositors' balance and raise the rate of discount, as they would have a perfect right to do. Oh! with any such pretty scheme as this the common people as usual would have to pay for it. We see then that Government guarantee would be detrimental to the people in a financial way.

MEASURING BANK CLERKS.

HERE is a recent newspaper dispatch from Pittsburg:

A collection of photographs. measurements and data similar to a rogues' gallery is said to be planned by the bankers of this city to keep track of their clerks.

Within the last year Pittsburg banks have lost $7,500,000 through dishonest employees. In some instances they have been convicted. In many others, that the banks might avoid the notoriety, the cases have not been prosecuted, and the shortages were made good by the bankers.

In order to be able to know what a bank clerk's record is, it is planned to keep a central gallery of all those employed so that the bankers may tell at a glance all that is known of the men.

The Bertillon clerk of the police department has been called in and will probably have charge of the establishment of the collection along Bertillon lines.

The clerks are furious at the idea.

Probably, if the above account is correct, a great deal of the loss was due to dishonest officials instead of to the clerks. It it said that one official who robbed a bank of a large amount was given a Christmas present of $5,000 "in appreciation of his faithful services to the bank!"

THREE NEW CHAPTERS.

OFFICERS of the new Augusta, Ga., Chapter have been elected as follows: Joseph P. Bartley, president; J. C. Pope, vice-president; Frank H. Astin, secretary; and W. D. Irvin, treasurer.

The organization committee of the Birmingham, Ala., Chapter consists of: E. J. Hilty, First National Bank; Mr. Brandon, Jefferson County Savings Bank; J. W. Paeske, Birmingham Trust & Savings Company; Mr. Bierd, People's Savings Bank & Trust Company; Mr. Moore, Traders' National Bank; C. Pointer, Steiner Bros.; Mr. Daily, American Trust & Savings Bank; Mr. Stewart, Commercial State Bank; and Mr. Knapp, Bank of Ensley.

A chapter is also being organized at Nashville, Tenn.

NEW YORK CHAPTER OFFICERS AND DELEGATES.

AT the annual meeting and dinner of the Board of Consuls of New York Chapter held Thursday evening, June 4, 1908, the following gentlemen were unanimously elected officers for the ensuing year: President, R. P. Kavanagh, 52 Broadway; vice-president, Edw. H. Callanan, National Bank of Commerce; second vice-president, R. W. Brett, Chemical National Bank; secretary, A. A. Ekirch, North Side Savings Bank; treasurer, H. M. Baldwin, Title Guaranty & Trust Co.; librarian, A. L. Kley, Citizens' Central National Bank; Chief Consul, L. N. Roe, Mutual Alliance Trust Co., secretary to Board of Consuls, C. W. Cary, Metropolitan Trust Co.

The following delegates were chosen to represent New York Chapter at the Providence Convention, July 23, 24, and 25: M. F. Bauer, M. L. Wicks, J. A. Nielson, E. H. Callanan, M. F. Hudson, R. W. Brett, C. R. Dunham, J. H. Thompson, R. P. Kavanagh, H. S. Andrews, J. B. Korndorfer, C. F. Minor, L. N. Roe, W. M. Rosendale, C. W. Cary, T. H. Hunt, Jr., W. B. Matteson, W. I. Dey, J. Fallon, C. F. Manchon, O. H. Cheney, A. A. Ekirch, L. J. Grinnon, W. E. Stevens, M. Read, V. A. Lersner, R. W. Shelter, A. R. Kinsey, W. H. Milliken.

THE EXECUTIVE BOARD.

CHICAGO CHAPTER is booming two of its members for the Executive Board of the Associated Chapters—George A. Jackson and Ralph C. Wilson. In regard to these men Benj. B. Bellows, editor of "The Bank Man," the official organ of the Chicago Chapter, says:

Jackson will represent the Associated Chapters and Wilson will be elected by the "Fellows," which is the new section of the A. I. B. created at the convention at Detroit last summer. There are no other members in the A. I. B. better known, more popular or more deserving of honors than these two gentlemen.

FAVORS CREDIT CURRENCY.

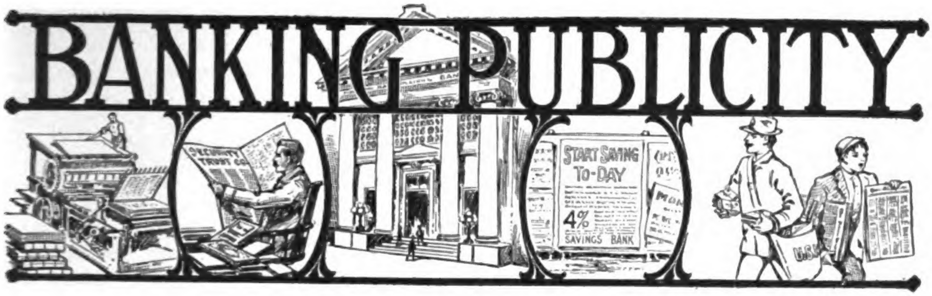
IN a recent prize contest conducted by the Chicago Chapter Duncan G. Bellows of the Zion City, Ill., Bank, took first prize for a paper on "Currency Reform." One of his strong statements is:

The basis of the theories of all politicians seems to be that what we want is more currency. As a matter of fact we have hundreds of millions too much fixed currency now. What we need is to eliminate the objectionable elements, and to supply the one lacking and most of all desirable element, viz.: credit currency.

A BAD MIX-UP.

FUNNY things sometimes get into the newspapers. Here is one, sent us by the Bank of Visalia, Visalia, California:

Washington, June 24.—The Controller of the Currency to-day issued certificates authorizing the First National Bank of Visalia to commence business, with a capital of $200,000. Clarence M. Smith is president, C. J. Giddings, vice-president, and L. C. stores and lumber. A wrecking tug has been sent to her. She is in no immediate danger to-night, as the sea is calm.



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

THE INTELLECTUAL SIDE OF ADVERTISING.

By Francis R. Morison, Advertising Manager The Citizens Savings and Trust Co. of Cleveland, Ohio.

IN treating of the intellectual side of advertising, it is of those qualities which tend to dignify and ennoble it that I wish to speak rather than of those attributes which have made publicity the motive power of the business world. Inasmuch as this brief paper does not attempt to set forth the origin of advertising, we can dispense with the details of birthplace and infant years, turning rather to the conditions prevailing in the field of publicity as we find them to-day.

Perhaps it will be well, in the first place, to consider the character of the leaders in all lines of advertising. These men are not illiterate, untrained nor of a low standard of intelligence, as the references to them of uninformed persons would sometimes indicate. They are men who have distinguished themselves in university life—men of intellect and culture—men who have turned from the other professions, feeling that there is greater scope for their literary powers in the advertising field. Many of these men have filled prominent editorial posts on our great metropolitan newspapers or world-wide magazines. Such men are the leaders in advertising to-day and anybody who sneers at advertising as a profession merely displays his own colossal ignorance.

Modern advertising is literature. The moment that an advertising writer departs from the merest outline of a stereotyped display advertisement, and elaborates ever so slightly the points treated, he enters the realm of literary composition. His writing may be good or bad, yet it is a part of the world of letters, and whether good or bad, it finds congenial companionship among the orations, the poems, the essays and the histories of both past and present.

Advertising As Literature.

Judged, moreover, from the viewpoint of the number of its readers, its importance, its forms, its truthfulness or its attractiveness, modern advertising vies with the greatest literary productions of the civilized world.

While the object of advertising is confessedly the making of money; yet is that not the spur under which many a novel, poem or essay has been produced? Did not Johnson write his immortal Rasselas to defray his mother's funeral expenses? The grocer and the landlord oft knock insistently on the door of a literary light long before the publisher's check arrives to relieve the financial stress.

In the service rendered to humanity, advertising falls not one whit behind the best in literature. Advertising brings comforts, happiness, contentment, satisfaction, opportunities, wealth and knowledge to millions of men and women, the world over, who are thereby freed from much of the slavery imposed by ignorance, lack of mechanical helps, labor saving devices and the comforts of life.

If then this beneficient service is accomplished by means of the pen, let us consider

the literary qualities necessary in a successful writer of advertising, whose work, in a few words, may be summed up as the ability to connect words to ideas or phrases to facts, to adorn while expressing truth, to inform the reader and to persuade him to believe as does the writer. A great deal of this ability may be obtained by intuition, but it is only after years of hard work and study that a man is fitted for the preparation of the highest and best in advertising literature, in fact he must give himself up unrestrainedly to this as a life work.

It is sometimes said that the writer of advertising literature is born, not made. While to some extent this is true, success is the result of all the effort and all the learning that a man can bring to his task. He must be able not only to create, but to reflect upon and criticize his own writing and that of others falling under his observation.

Force in Advertising.

Advertising, moreover, must possess power, force, energy to a degree that will successfully set in motion the desire and will of the reader. It must possess the same appeal to the human heart that is a common characteristic of all great literature—the force which adds life to any literary production—making it effective in its influence over the human mind. This can be accomplished by no mere journalistic trick nor dogmatic assertiveness. There must always be a reserve and dignity rather than a parade, with a fine recognition of the personality and independence of the reader.

It is the quality of the matter which informs the general public of the thing advertised that assures success, or results in failure. The clearness with which the desirable qualities of an article are set forth to the reading public depends upon the writer's literary ability. The power of the appeal which can be made to the public, moreover, depends upon the thoroughness of the knowledge which the writer may have of humanity. It is only when advertising conforms to the laws of human thought that it finds its logical place in the great structure of human life, as we see it today. It makes little difference how valuable a commodity may be to the world, if this value is not set forth clearly and naturally, the public will not understand, and if it does not understand, it can not act.

Dignified Advertising.

The exacting requirements of advertising writing have spread throughout the entire business world. Many a blundering business man who had never thought much about his manner of speech nor the way in which he dictated a letter, has during recent years systematically studied modes of expression, exact meaning of words, and has given the communications going forth from his office an ever increasing semblance of literary form and the entire business world has become permeated with the literary spirit.

The ennobled and dignified type which advertising has assumed during the last decade has fitted it as an appropriate means for enlarging and extending the business relations of conservative, financial institutions and those banks and trust companies which have adopted judicious methods of advertising have profited largely thereby. Many persons who had distorted ideas concerning bank methods have learned from bank advertising literature the true attitude of the banker toward the public, and this has established a greater degree of mutual understanding and confidence than formerly existed. The haze of mystery has been rapidly dispelled and the pure light of understanding has taken its place.

An Appropriate and Attractive Blotter Ad.

CALENDAR ADVERTISING FOR BANKS.

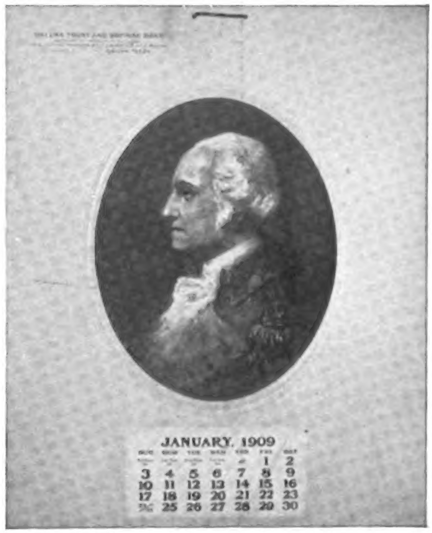
By Edwin N. Ferdon, Advertising Manager Brown & Bigelow, St. Paul, Minn.

I HAVE before me a large roll calendar gotten out by a big and prosperous eastern bank. To me individually it is absolutely unprepossessing. The upper part of the calendar shows a very poor half-tone illustration of the exterior of the bank; surrounding this is a jumbled mass of wording printed in several colors; below is attached a large sized calendar pad, the only feature of any value at all.

This calendar, I understand, is sent annually to all depositors of the bank; also to a list of good prospective customers. Identically the same style of calendar has now been mailed for three successive seasons. Undoubtedly the bank officials believe this calendar is doing their institution some good or they would not send it out. Also, undoubtedly, the truth of the matter is that they don't know anything about its advertising value, never having taken the trouble to go into the matter, even superficially.

Possibly they have seen a few specimens hanging up in offices and business houses about town. It is very likely that the large pad would prove useful in such places, and, in the absence of a better calendar, the thing was given a position on the wall.

But what about the hangers sent to the army of individual depositors whose accounts are so desired? Such a calendar must be wasted on them, unless, perhaps, it is turned over to the servant or hung in



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General Washington — Ferris.

the woodshed. The up-to-date housekeeper will not find a place for a hideous creation like this—not if she can get hold of something neater, more artistic or more beautiful. Even the monstrous pad is a detriment, being unnecessary and undesirable in the home.

Yet the money put into that calendar would have more than purchased an artistic little creation which would have been a source of pleasure to every household, and a source of profit to the bank.

Selection and Distribution.

The whole trouble is, that the majority of bankers who do use calendars do not give enough attention, first, to selecting the calendar; second, to distributing it. They purchase often without much thought and distribute with less. Their way of looking at the matter is summed up by a sigh of relief when the last calendar has been mailed, and the observation: "Well, that's over."

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Kathryn — Allen Gilbert.

If this is the spirit with which to tackle an advertising proposition, why on earth advertise, and invite nothing but the loss of your appropriation?

A bank's calendar should be selected as carefully as a painting. It is intended to hang in the homes of the very best and most prosperous citizens. Those who are to receive it know how to appreciate the artistic and beautiful; what's more, they will not give a permanent place in the sitting room or library to anything which—to their mind—does not meet a certain standard of artistic excellence. Hence, it becomes imperative that the calendar sent them shall fill this requirement.

Time after time calendar salesmen calling on a banker are told: "Calendar advertising does not pay. We tried it a few seasons and gave it up." In almost every case, on sifting the matter, it transpires that the bank got out some such eyesore as I have above mentioned; or else purchased a really meritorious calendar but failed entirely to make use of it in a way to produce the results which right calendar advertising can and will bring to any bank.

Why should a good calendar, artistic, pleasing, very attractive, and rightly distributed, prove a good advertisement for a bank?

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Highway of All Nations—Thomas Moran.

In the first place such a calendar is in keeping with the character of a bank. It is dignified, free from any undesirable, cheap or tawdry qualities tending to weaken the impression of stability which is any bank's greatest asset. Take for instance a subject by Stuart Travis or Allan Gilbert—just to pick two modern artists universally known. In the retail art stores of the great cities photo-color reproductions of work by either of these artists sell at

anywhere from $1.00 to $2.50 for the sheet pictures alone; framed, they go at two, three and four times as much. You will find reproductions in plain sepia half-tone advertised in the magazines at fifty and seventy-five cents apiece.

Yet, thanks to the enterprise of one or two of the big calendar manufacturing concerns of this country, it is possible for a bank to offer its customers a calendar with a superb photo-color reproduction of the best work of these artists—and of a hundred and one others—at a cost of, say, anywhere from fifteen to thirty cents apiece.

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Protection.

Pleasing Customers.

Do your customers consider that as a twenty-five cent subject? Decidedly not! They have been looking wistfully at pictures no better (often not as good) exhibited in art stores or featured in the magazines. They know the price demanded for those pictures; in fact, they know in a general way what any beautiful work of that nature would cost them, and therefore they immediately give the bank credit for a subject valued in their minds at the retail prices with which they are acquainted.

Many a banker puts three times as much of an appropriation into card cases, gentlemen's leather wallets, and the like, that do not begin to be as valuable or desirable to the recipient as one of the subjects I have mentioned. And as for buying a pocketbook for twenty-five or thirty cents, Heaven help the reputation of the bank offering such gifts to its patrons at Christmas time!

There is absolutely no waste circulation in calendar distribution. The banker knows just exactly whom he wants to receive a calendar. He knows where there is a chance for that calendar to fulfill its mission. He is paying to reach those whom he wants to reach, and not a cent more.

Ask yourself if it is not worth about two cents a month to hang a calendar of some 200 to 400 square inches in every home where you feel your bank should be known. You cannot obtain that space in any other way. You cannot buy it. No bill posting

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Old Stone Mill.

concern could contract to fill it for you. And yet, right in the heart of the family, where, if anywhere, is discussed the how, when and where of the monthly deposit, the mere expenditure of some two cents a month will give the name of your bank a commanding position.

Perhaps, however, in no way is calendar advertising so valuable to the bank as in the chance it offers to the banker to come in touch with the depositor, actual or prospective. The method it offers is through right distribution. Nor, perhaps, is there any opportunity passed by so often even by bankers using good calendars, as this very one.

Personal Advertising.

A banker said to me not long ago: "I don't suppose that lots of our patrons even know this bank's capital, surplus or amount of deposits; in fact, there are at least five other banks in which they might deposit with equal safety, but I believe we hold many of them because we interest ourselves in them. The secret is personal advertising."

The distribution of a bank's calendars should be right from the bank. One of the officials of the bank should himself attend to the matter. It might surprise him to really know what a compliment many of the depositors would consider such a presentation of the calendar. When it is time to distribute the calendars, send out a form of letter or printed card to each customer, with the information that a beautiful work of art is being held to their demand until a specified date. Ask them to call personally and receive it. They will come —trust to a really good calendar to bring them—and then is the bank's chance for personal advertising. Why, a handshake then, a personal New Year's greeting, if nothing else, is as good as all the rest of the year's advertising put together.

There are depositors whom the cashier, for instance, may never have become acquainted with. Right here's his chance. Any depositor is more loyal to his bank when he knows its officers, and feels that they are interested in his account, no matter how small. Nor is the personal element entering into this the only factor of importance, for such distribution doubles the value of the calendar in the eyes of the recipient.

I have said that a very large calendar might be undesirable for distribution to the home. The reason is lack of harmony with the neat surroundings, or lack of room, mainly the former, however. In the case of offices and business houses, the case is quite different. Here a large calendar should be used with large pad and figures. But remember, that at the same time art is as much appreciated in the office as at the home.

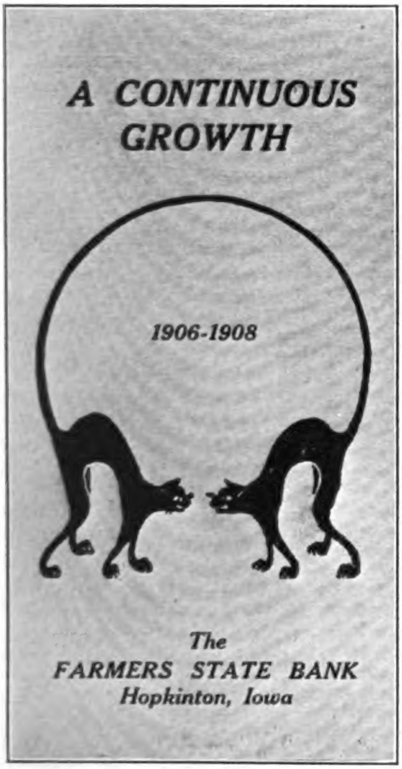
For instance, the Gilbert head shown herewith, or that of Washington, are especially appropriate for the home, while a large wall hanger, like the "Highway of all Nations" by Thomas Moran, size 27x41, is too bulky for display in a sitting room, but is the ideal "sign" calendar for an office.

Like other advertising, calendar advertising can be indulged in hit or miss, but also, as in the case of other advertising, its real value can only be ascertained by systematically, intelligently and thoroughly following up all its possibilities.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Received for Comment.

HERE we are—a freak of nature and a pun, both on the cover of a bank statement folder. The figures of the statement do show a continuous and satisfactory growth, but not a word of explanation is given concerning this strange product of Iowa shown on the cover. We confess



"The Tail of Two Kitties." Scat!

we are like the little boy who upon being told the story of Bruce and the spider asked: "What became of the spider?" We want to know more about those feline Siamese twins.

In advertising its letters of credit the Mellon National Bank of Pittsburgh says that they

Are issued only to those of known respectability.
On account of this nice discrimination they are not only a valued introduction to the banks to whom they are addressed, but may also be used as an introduction to individuals, business houses, hotels and transportation companies.

It would be interesting to know how the bank decides whether or not an applicant is respectable, and what does the prospective customer do while his claim to respectability is being looked up?

Another Pittsburgh institution, the Union Savings Bank, incorporates something in one of its ads. the wisdom, or at least the good taste, of which we question somewhat. The line is: "You would still need to save a little money in order to have a decent burial!"

Imagine a man saying to himself: "No, I guess I won't go to the theatre to-night. I must save the money because I want a decent burial."

Cheer up, Union Savings Bank, it isn't as bad as that.

The Home Savings Bank of Des Moines, Iowa, whose eight-inch, five-column newspaper ad. is reproduced herewith, hasn't asked us for any advice but we're going to give it some gratuitously. It is about the arrangement of the advertisement. If we had that space and that interesting story to tell we would give as much thought to the arrangement, the "layout," of the ad. as to the actual writing of it. This ad. is bound to make an impression. Its very size insures that, but an interesting headline, an attention-compelling design, better cuts and a more readable arrangement of copy would increase its effectiveness one hundred per cent.

Make the picture of the house the largest, not the smallest, cut in the ad. Place it in the upper left hand corner. To the right of it in large, lower case letters have a headline reading: "YOU CAN OWN A HOME LIKE THIS." Have the ad. narrower and deeper. Bind together with a heavy design or rule border. If you use cuts of the coin bank and the pass book, have them much smaller and put them down in the ad. at the left margin, opposite the portion of the reading matter referring to them. Don't use the full statement of condition in this ad. Give the principal

This Ad. Needs a Shaking Up.

figures, but use most of your space in developing the claim you make in the head of the advertisement. At the bottom of your ad. run the name and address of your institution in big type to balance the head.

Mr. W. H. Kniffin, Jr., cashier of the Home Savings Bank, Brooklyn, New York city, writes about the newspaper advertisements of his bank, four of which are shown herewith, as follows:

I enclose a few of our recent advertisements for your inspection and criticism. My own opinion is that some are too lengthy and too much has been said, but the weekly feature makes it difficult to do effective work. We have a peculiar class of people in this end, who want to know these things and we have tried to make the matter educational, at the expense of brevity. "Does you money burn?" strikes me as good as any; not crowded and to the point.
How about the make-up and the type and the general effect? There is nothing of this sort in the paper and it is quite distinctive. Would the same space, one-half the length, be more effective?
I shall be glad for any knocks you may see fit to make.

These ads. are so good that no knocks are in order, not even a gentle one.

If you can afford the space and use it to the best advantage by putting good copy into it you don't need to worry about saying too much in a savings advertisement. That is, as a general rule a savings ad. can stand greater length than any other kind of bank advertisement. Mr. Kniffin has used good judgment in the subject matter and typographical arrangement of his advertisements. They are really educational and it is not surprising to learn that they proved resultful.

IDEAS AND SUGGESTIONS.

THE Iowa Trust and Savings Bank of Des Moines, Iowa, recently conducted a guessing contest open to its depositors. A glass fish globe full of pennies was displayed in the window and guesses were made as to the number of coins the dish contained.

The Union Trust Company of Springfield, Mass., makes this offer in its newspaper advertising:

On the second floor of our new building are six large rooms which we offer free—for use of individuals, corporations and societies desiring a central meeting-place for business conferences.
It is not necessary that you carry an account with this company to enjoy these accommodations. We want you to make the Union Trust Company your meeting place. Telephone for reservations.

Every man or woman who writes bank advertisements should have a note book

handy and jot down in it ideas, observations and suggestions as they come. Study every advertisement you see no matter where it is or what it is. There is something in it for you if you are alert and resourceful.

The Publicity Department of the Bankers Publishing Co., in its preparation work for some banking by mail institutions has secured data from the Post Office Department concerning the exact methods taken to make it safe to transmit money through the mails. This makes good stuff to use in advertisements and booklets. We pass the idea on to others in this field. Write to the Third Assistant Postmaster General for information along this line and you will get a free copy of a booklet descriptive of the U. S. Postal Service. Other data can be bought from the Public Printer at Washington, D. C.

It is a good idea to make every effort to keep your mailing list up-to-date. The Union Trust Company of Pittsburgh sends out a card with this request:

To Our Customers:—

We would appreciate your kind co-operation in assisting us in our efforts to keep our mailing list as correct as possible.

This card is sent to enable you to advise us if the envelope in which it is enclosed does not bear your correct address.

Please use the space below for that purpose.

The Union Trust Company of Pittsburgh.

Letter enclosures are good advertising, whether they are just printed slips containing advertising matter of your institution or some little advertising novelty of interest and value. In speaking of this matter the "Novelty News" says:

Why not get the full value of your postage? Do you realize that in sending out the average commercial message you are paying one cent ordinarily for service that you do not receive? It is true, so far as weight is concerned. Two average letters could be put in the same envelope and sent for a two-cent stamp. The average commercial letter is not even half as heavy as the government will permit to go under 2-cent postage. Therefore, you are not

Does Your Money Burn?

A great many people never learn to save. Their money "burns" until they spend it, consequently they are always poor.

The Gentle Art of Saying "No"

Is hard to learn, but lucky the man or woman who can practice self-denial.

If YOU Cannot Keep

money yourself—bring it to us (no matter how small the amount) and we will put it WHERE IT CANNOT BURN—AND YOU CANNOT "BURN" IT.

The
Home Savings Bank

804 Manhattan Ave.

$1.00—Starts an account—$1.00

"The Saturday Night Bank"

Two Men at the Door

Any morning at nine o'clock, two men may appear at the door of the Home Savings Bank. They are Examiners from the Banking Department at Albany. They will produce their order to examine the bank. No one knows when they will appear. But when they do, without ceremony, they will

Count the Cash,

Examine every mortgage very carefully to see that it is properly made. They will make a list of the bonds owned by the bank and place their own value. They will examine every account with the depositors and take a trial balance When they get through nothing will have escaped their eyes.

If You were running a Bank

And were liable to have such unexpected visits, wouldn't you keep things "just right." Yea, verily—so would we!

Savings Bank Examinations in this State are well-nigh Perfect.

This is your protection. It is our satisfaction—our evidence of good behavior.

Come and See Us.

Home Savings Bank

"The Saturday Night Bank"

804 Manhattan Ave.

$1.00—Starts an account—$1.00

Figuring Interest in the Savings Bank

A great deal of misunderstanding exists regarding interest methods in savings banks. We cannot speak for others, but for ourselves, the following rule is in force and is just and fair to both parties.

The Withdrawals

are taken out of previous deposits. No interest is lost, except on the amount withdrawn, the balance is not affected. To illustrate,

William Wiseman's Balance

On January 1st, was $500. During February he deposited $100, in March, $75, and in April, $50. In June, he draws out $150. This will take the $50, the $75 and $25 from the February deposit, leaving the January balance undisturbed. On July 1st, he will get 2 per cent. on $500 and 1 per cent. on $75—$10.75 in all.

In Other Words,

Interest is computed in January and July on such sums as are on deposit at that time, interest being paid for three and six months, computing from quarterly periods, Jan., April, July and Oct. The quarterly method is in force in all but two of the savings banks of Greater New York.

If it isn't Clear,

Come in and ask about it.

Home Savings Bank

"The Saturday Night Bank"

804 Manhattan Ave.

$1.00—Starts an account—$1.00

New York City Owes $600,000,000

On its bonded debt. Not all due this year—thanks to the politicians, but extending over half a century. This is represented by finely engraved documents, promising to pay.

The Security

Back of these, is the faith, the credit, the taxing power, and ultimately, the real estate of the city, the same as a mortgage. A bond is a mortgage. No city, county, town or state can afford to let its credit "go bad." Default is very rare. They are quickly converted into cash and are most desirable investments.

Railroad Bonds

Are mortgages on the railroad property, and when issued by good roads are perfectly safe. The municipal bond is better, for it depends on taxation and not on the earning power of the property.

It is Our Policy

To buy only City, County, State, Village and School District Bonds, of whose security there can be no question. Your money placed thus is perfectly safe—believe it, for it is so.

Next Week—Preferred Deposits.

Home Savings Bank

804 Manhattan Ave.

Money To Loan on Bond and Mortgage

Educational Savings Talk.

Distracting Illustrations.

getting all you pay for when you send out a letter which is only half weight. The service may be worth two cents, all right, to send even the light-weight letter, but why not get the full value of the postage you are paying for, by sending a "silent salesman" inside that letter, which will not cost you anything to mail.

Utilize your outgoing mails to carry additional appeals for increased friendly relations and enlarged patronage when you can do it without increasing your annual postage appropriation one penny. If you do not do so, you overlook a splendid advertising opportunity, that's all.

W. Harrison Upson writing in "Judicious Advertising" on the subject of booklet covers says:

The very first thing about a booklet to greet the eye of the observer is the cover. If it be appropriately chosen and effectively treated, it will make a lasting impression upon the recipient.

That is the psychology of the cover.

Besides this, the cover should be serviceable. It should be selected with a view to its ultimate use. An appropriate cover which is attractive enough to impress and strong enough to withstand the usage of time is certain to prove profitable.

That is the economy of the cover.

IT IS TO LAUGH.

Some More Funny "Stock" Cut Bank Ads.

THE Prohibitionists are getting quite numerous in the South. We wonder how they will take to the sentiment expressed in that Phoenix, Ariz., bank ad. to the effect that "every man with a fat bank account can afford to take a 'smile' once in a while."

What a cinch it is to draw a $10,000 salary! But we think it is a vulgar display of wealth to draw it in such a public way and is it right to excite such envy as is depicted in the countenance of the Irish-American farmer in the dress suit?

And there's our old friend Diogenes! Evidently Diog. has found his honest man among the advertisers in his newspaper, because he has allowed his lantern to go out and is contentedly smoking his pipe. There are many anachronisms in this advertisement. In fact, the whole ad. is an anachronism. We could excuse a Houghton, Mich., washtub as a setting for the representation of an ancient Grecian legend

from a purely humorous standpoint, but there are more dignified and more effective ways to advertise a national bank.

One of the guides at the Philadelphia Mint is accustomed to say at a certain stage of his tour: "We have three million dollars in gold down in our basement and it gives us quite a comfortable feeling." We don't see how any bank or its depositors can have a "comfortable feeling" with its cash reserve strewn around nonchalantly on its front lawn and piled up behind the bank building.

As "Hashimura Togo" says in "Colliers Weekly," we "ask to inquire" what this silly picture has to do with a checking account.

By the way, from the last line in this ad. one would think that the bank was in Missouri, but it is in Colorado.

And there's the Golden Calf, too. Another anachronism—the dollar mark on the baton of the leader of the orchestra of the Children of Israel surrounding the golden image.

We're not sure that such advertisements

More to the Point.

as those reproduced herewith are entirely useless. They do not appeal to us as being the most effective possible, but we may be mistaken. We hope the spirit will move some of the users of these ads. to testify as to results and we would like opinions from other readers concerning this kind of advertising.

A NEW EMBLEM.

THE accompanying cut shows a new emblem designed and executed by the Publicity Department of the Bankers Publishing Co. for the Hampden Trust Co. of Springfield, Mass. The portrait used is that of John Hampden the sturdy old parliamentarian of the seventeenth century in England, after whom Hampden County and, indirectly, the Hampden Trust Co., were named.

The value of an emblem to any financial institution lies in this—it provides something concrete around which the popular conception of the institution can be built.

An emblem gives continuity and unity to advertising. It helps create good will for the business. If it is a good one, it emphasizes, either directly or by subtle inference, some valuable feature of the institution or of the service it renders. For example, in this Hampden emblem the portrait of honest John Hampden "connotes" that the Hampden Trust Company is likewise of strong character and a faithful guardian of the people's interests. The Rock of Gibraltar, used as a trade mark

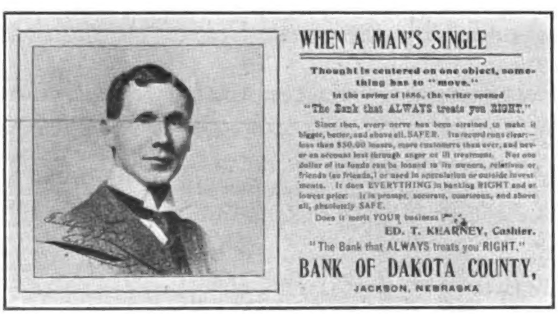
by the Prudential Insurance Co., connotes strength, of course; the dog emblems used by some institutions stand for fidelity, and so on.

Not the least advantage of using a good emblem in advertising is that the design serves as an eye-catcher, drawing attention to an announcement that otherwise might escape the notice of many readers.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

PERSONALITY of the right kind is a good asset for any bank. Many progressive institutions are featuring this strongly in their advertising. This is especially true in the West where the blight of overmuch conservatism has not yet affected bankers in their efforts to get more business by advertising. We reproduce herewith a blotter advertisement of the Bank of Dakota County of Jackson, Neb. It bears the confidence-inspiring portrait of its cashier, Mr. Ed. T. Kearney. The bank has adopted a motto: "The Bank that ALWAYS treats you RIGHT." Mr. Kearney looks like a man who would give his customers a square deal and his ad. makes me



This Has a Good Ring to It.

want to shake hands with him. Here's one of his form letters:

BE A BOOSTER.

To our friends:—

Like Oliver Twist of old, we are hungry for more—business, more depositors—more borrowers. If you are our customer, you know the way of a GOOD bank. Just tell the new man and the friend who does NOT know. That's all we ask—one chance and we'll do the rest. Once a customer—always a customer here. You just simply CAN'T get away from the safety, convenience, promptness, accuracy and "up-to-dateness" here.—Kearney system and methods. This is the ONE place where you are treated RIGHT, no matter what your race, age, wealth, color or previous condition of servitude. The manager was born and raised that way and so must his business be run —RIGHT. For more than twenty-two years he has given all his mind and heart and labor, to make this good bank (founded by him), bigger, better and above all, SAFER for YOU. The record runs clear—less than $50.00 total losses, more depositors, and not a single dissatisfied customer it knows of. ($100.00 hung up ready for the person wronged by the bank.) Now, honestly, don't a GOOD bank like this, HUNGRY for more business, eager and ready to care for it RIGHT, and glad to see your face every time you set foot within its doors, really deserve, not alone YOUR business, but a little friendly boosting among your friends? That's what we need and desire—more BOOSTING—more business. Then, YOU please push the BOOST button and we will do the rest.

Send us a new customer this month, PLEASE.

Gratefully yours,
"The Bank that ALWAYS treats you RIGHT."
(Kearney's Bank.) Jackson, Nebraska.

The "Three Bank Bills" of Bellaire, Ohio, look as if they would be pleasant to meet "face to face." The cut is a reproduction of a post card they are sending out, we have no doubt with good results.

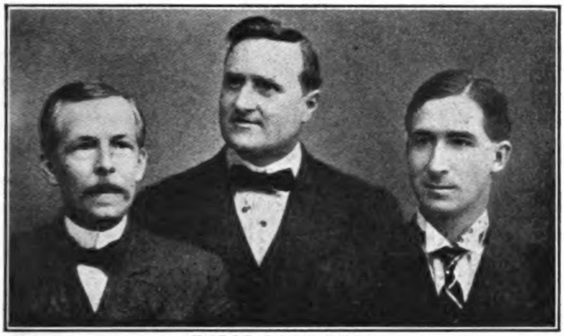
As illustrating the possibilities in making bank advertising interesting we reproduce the copy of two of the advertisements of the First National Bank, of Pittsburgh, and one of the Union Trust Co., Chicago:

THE WORD MONEY

Is derived from "moneta" since Roman coins were first regularly made in the temple of Juno Moneta.

Deposit your Money in the First National Bank of Pittsburgh and enjoy the advantages of a checking account. In the Savings Department interest is paid four times a year and no notice is required to withdraw money.

FIRST NATIONAL BANK.
Fifth and Wood, Pittsburgh.
Oldest National Bank in Western Pennsylvania.



THREE BANK BILLS
BILL WARNOCK BILL DICKENS BILL RIETZ
MEET US FACE TO FACE AT THE DOLLAR SAVINGS BANK, BELLAIRE, OHIO

An Asset Currency.

GOLD

Can be beaten 1200 times thinner than printing paper; one ounce will cover 146 square feet. But you can make it go the farthest by depositing it in a checking account at the First National Bank and keeping an exact record of your expenditures.

In our Savings Department interest is paid four times a year and no notice is required to withdraw money.

FIRST NATIONAL BANK.
Fifth and Wood, Pittsburgh.
Oldest National Bank in Western Pennsylvania.

Sermons on Banking: Published every Thursday—No 6.

WE DON'T BELIEVE IN PESSIMISTS

Or calamity howlers. But we are not pessimists when we say that no man is safe unless he has a little money laid away for the rainy day that may come at any time. You know that yourself. It doesn't matter how large a salary he is now getting either. The point is to get a start. Our savings system is simple and makes it easy to start and gradually continue. Mr. Ehlert is here to explain it.

Ask Mr. Ehlert for Souvenir "B."

UNION TRUST CO., CHICAGO
Tribune Building.
Capital $1,000,000. Surplus $1,000,000.
Deposits $11,000,000.
Surplus All Earned.
Established A. D. 1869.

"The Working Force" is the title of a booklet in which the Citizens Savings and Trust Co., of Cleveland, O., tells, by pictures, how it handles its large volume of business.

The Flatbush Trust Co., of New York, sent out a post card with a brown tint cut of its building on it and underneath it an invitation to deposit valuables in its safe deposit and storage vaults for safe keeping during the summer.

The Union Trust Co. of Chicago, which has adopted the motto, "A Bank for all the People," uses excellent taste in its printed matter. Its latest statement folder is one of the neatest we have seen, containing concisely prepared and well displayed talking points of the institution's service. Its deposits have almost tripled in eight years and are now more than $12,000,000.

Strong.

The ads of the First Trust and Savings Bank of Chicago and the American Trust and Savings Company of Springfield, Ohio,

Lest We Forget.

illustrate good ways to work in the calendar reminder idea which seems to be a particularly appropriate one for advertising the feature brought out in these ads.

"Funds for Travelers" is the title of an especially good booklet on letters of credit, etc., gotten out by the National Tradesmens Bank of New Haven, Conn. It gives quite a full exposition of the subject and its value is enhanced by four clear illustrations. The features of the booklet include the following:

Letters of credit: Advantages, advice, identification, letter of indication, loss, method of payment, specimen letter of credit, terms, various letters of credit.

Travelers' checks: Specimen travelers' check.

Foreign currency: Table of foreign money.

Notes of general interest: Additional letters of credit and travelers' checks, baggage and valuables, customs duties, extension, mail and telegrams, principal correspondents, railway travel in Europe, time difference and distances.

Using very attractive stationery, the Old National Bank of Spokane, Wash., recently sent out this letter to 500 of Spokane's representative and influential business men:

To Our Patrons and Friends:

I take pleasure in handing you enclosed a condensed statement of this bank's condition, as reported to the Comptroller of the

Currency, under date of May 14, 1908, and ask you to give it your careful perusal.

Your attention is invited in particular to our strong reserve account, it being 43 per cent. of deposits, or $1,182,823.04 above legal requirements.

It is also worthy of special notice that our deposits, now amounting to $6,464,918.17, show an increase over our February report of over $700,000.

This is taken by us as an expression of public confidence in this institution's strength—of the help it has been able to extend to legitimate local business enterprises, and of its fidelity to the interests of its customers.

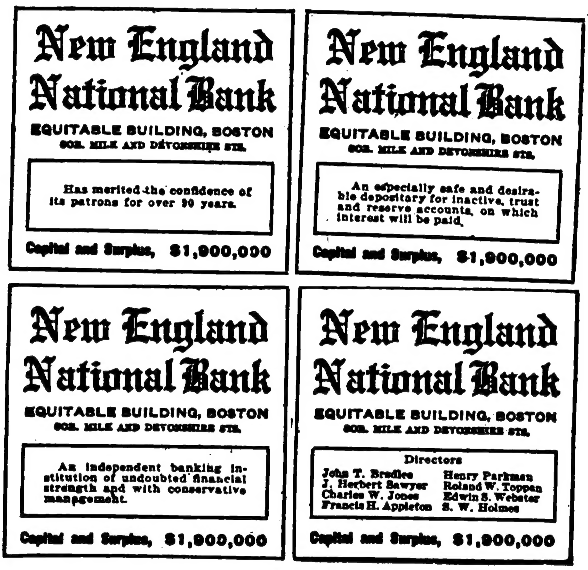
I take this opportunity of thanking you personally for the good will you have borne toward our bank, and hoping to continue to merit the same in the future, I remain

Respectfully yours,
D. W. TWOHY, President.

W. J. Kommers, assistant cashier, has charge of the publicity work of this institution.

statement and the announcement of the election of R. T. Forbes as president, succeeding William A. Tilden, who has been elected president of the Fort Dearborn National Bank of Chicago. The leaflet opened at the top and contained pages of gradually increasing size which carried index lines at the bottom indicating at a glance the contents of the leaflet.

The May 14 call of the Comptroller brought out a good grist of statement folders. The Union Bank and Trust Company of Houston, Tex., carries on its statement this motto: "In the interest of mankind especially, Houston materially, Texas generally." Other noteworthy statements were those issued by the Live Stock Ex-



Multum in Parvo.

The little ads. of the New England National Bank of Boston appear two or three times a week in the "Herald" of that city, the space being 30 lines, single column. The ads. go in the same spot on the editorial page every time, thus being regarded as much a regular feature of the paper as the weather report as far as location is concerned. That's how a small ad. is most effective. You can lose a small man in a crowd but not if you know just where to look for him. *Verbum sap.*

A novel and attractive folder device was issued by the Drovers Deposit National Bank of Chicago to combine its May 14

change National Bank, the Commercial National Bank and the Continental National Bank of Chicago; the First National Bank of Milwaukee, Wis., and the First National Bank of Northfork, W. Va.

The Salt Lake Security & Trust Company of Salt Lake City advertises that it has a "title plant" of its own. It says:

As a part of its equipment, the Salt Lake Security & Trust Company has compiled its own TITLE PLANT which is more complete than any in the county and from which it is easier to trace a title accurately than from the county records. Our records are kept up-to-date by carefully entering all transfers of property and court proceedings.

So complete are our records that, if the county records were destroyed by fire or otherwise, they could be replaced by copying from our records. The Title Plant was made in the year 1889 at an expense of $80,000.00 and it has cost us $1,000.00 per annum to keep it corrected up to date.

Our abstracts are recognized as being the most authentic and reliable issued in this county, and our rates for service are fifty per cent. higher than the rates charged by the county recorder. Our system of checking every item in a title is so complete, that a mistake is practically impossible.

We are, therefore, in a position to determine with the utmost certainty all of the facts concerning any piece of property upon which we are considering the making of a loan. This fact is one of the many strong arguments which we are able to offer for persons desiring absolute security to deposit their money with this company on our SECURED CERTIFICATE plan. Every dollar thus deposited is secured by prime first mortgages on improved and productive real estate.

Investment Banking

This institution makes a specialty of handling uninvested funds, allowing interest on deposits, or providing investors with carefully selected municipal, railroad or public service corporation bonds. It loans on the best approved collateral only, safeguarding its depositors by every means known in conservative banking. At the same time, the character of its business permits it to offer attractive terms to depositors.

Personal Interviews and Correspondence Invited.

Harris Trust & Savings Bank

Organized as N. W. HARRIS & CO. 1882
Incorporated 1907

MARQUETTE BUILDING
CHICAGO

Good.

The Savings Department of the First National Bank of Pittsburgh, Pa., has issued a good two-color booklet giving some good savings arguments and confidence-inspiring talk.

THE First National Bank of Chicago

A Good Type Emblem.

The Farmers National Bank of Lexington, Okla., uses a monthly syndicate house organ called "The Farmers Bank Notes." Mr. H. A. Hawk, cashier, writes the advertising of his own bank contained therein. He writes that he is deeply interested in this work and makes a daily study of bank advertising. His ads. show evidence of thought in their preparation. The copy of two of them is as follows:

THE SELECTION OF A HOME.

The selection of a bank should receive the same careful consideration as the selection of a home. The bank is the financial home. We endeavor at all times to have all the people feel absolutely at home when they come to this bank.

Those who've made this bank their banking home for so many years, know it to be a good, safe one, and are always glad to come home when they need money to handle their crops, or have money to deposit.

They know the sterling worth of the people who founded and managed this bank, and that there is always a warm welcome and timely assistance awaiting them here.

If you have never visited our bank, or had the pleasure of doing business with us, please consider this your invitation to come and see us. We shall be glad to see you, and want you to make our bank your headquarters, as well as your banking home.

FARMERS NATIONAL BANK,
Lexington, Oklahoma.

YOUR EMERGENCY FUND.

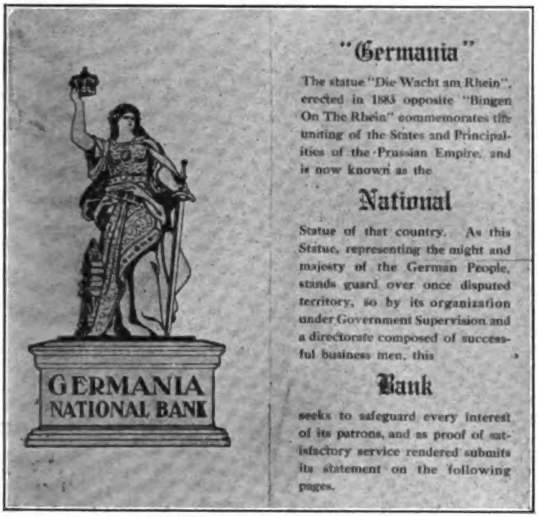
Where is it? The legislature of Oklahoma is busy creating emergency funds and emergency clauses, why not you? Introduce an emergency clause into your life that will create and set aside a fund protecting you and your family in cases of sickness, accident, or crop failures.

Most any of these are liable to overtake you any time. This good bank makes an ideal depository for the man who would be prepared for emergencies. A little account in bank comes in powerful handy when the rainy days come.

Our reputation for square dealing, safety, strength and solidity, has extended far beyond our field of operation. Often tried and never found wanting—this bank has withstood the storms to which many banks have succumbed.

FARMERS NATIONAL BANK,
Lexington, Oklahoma.

The last clause of this last ad. might better have been omitted. It is not a good idea to give people the impression that bank failures are common.



"Ausgezeichnet" for Milwaukee.

Frank B. Finch, advertising manager of the Commerce Trust Co., Kansas City, Mo., sends us a copy of a handsome new booklet issued by the company and also copies of several form letters. Mr. Finch says that the booklet is proving a "business getter," and that is not surprising as it is well written and a fine example of the printer's art. It contains halftone portraits of the officers and directors and a very full and interesting outline of the various departments of the institution. A portion of one of the cordial form letters is as follows:

Our officers are men of a life experience in banking and finance. You are doubtless acquainted with our president, Dr. W. S. Woods, and know him to have been part of the financial history of this community for nearly 40 years.

If you have not seen our magnificent banking home in the Commerce building, Tenth street floor, we hope you will allow us the pleasure of showing you through, in the near future. Our safe deposit vaults are the finest and most modern used in banking. You will enjoy a visit through them.

Trusting it will soon be our privilege to meet you in our new offices, if we have not already, we beg to remain.

THE COMMERCE TRUST CO.

INTERNATIONAL MERCANTILE MARINE CO.

THE annual report of the International Mercantile Marine Company for the fifth year of its organization, ended Dec. 31, 1907, was submitted to stockholders at their meeting June 15. After all fixed charges and operating expenses had been met, there remained a surplus of $4,-033,730, compared with the 1906 surplus of $5,028,754. Gross voyage earnings for the year totaled $38,253,588, not including the operations of the Leyland and National lines.

Miscellaneous receipts brought the total income up to $39,323,609, from which the deduction of $32,242,542 for voyage expenses and operating and administrative expenses left net earnings of $7,081,067.

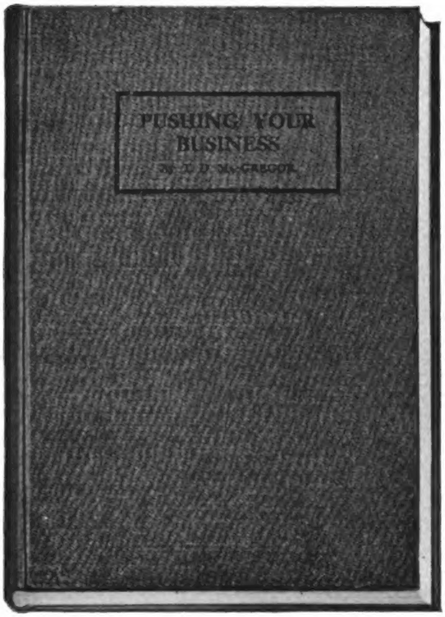
Interest and discount on bonds and taxes and interest on loans amounted to $3,488,-996. In commenting on the general situation in the Atlantic trade, the report says:

The operating conditions of 1907 were unusually difficult, particularily with regard to labor troubles at various ports, which precipitated five serious strikes besides several minor ones. These were all not only costly in themselves, but caused a material loss of revenue through the diversion of freight traffic from your lines.

The transatlantic passenger traffic both east and west bound shows a material improvement as compared with previous years, of which your company obtained its fair share, but the revenue derived therefrom, particularly during the last half of the year, was extremely unsatisfactory on account of the great disturbance in rates, due to conditions beyond our control, but which had to be energetically met by us in order to maintain our position in the trade.

The company's building programme is being carried out without curtailment. It is expected that the first new steamer for the St. Lawrence trade will be delivered early in 1909 and the second in June of the same year. The new steamship Minnewaska, for the Atlantic transport trade, will be in commission by the time the season of 1909 opens.

Genuine Help in Pushing Your Business



Are you pushing your business? Is your advertising as effective as it might be and ought to be?

If you are not sure that it is, here is something that will help you. It is a strong new book on advertising by one of the most successful advertising writers in the country. It is entitled—

"Pushing Your Business"

and is written by T. D. MacGregor, Ph.B., of THE BANKERS MAGAZINE.

Is it not worth one dollar to you to have at hand in form convenient for ready reference and constant use in your own business the results of the experience of a man who has handled the advertising preparation of the largest real estate investment house in the world and that of an $86,000,000 National bank, the largest financial institution in the country outside of New York?

If you think you can derive at least a dollar's worth of good from the experience of such a man, epitomized and crystallized in a 126-page book of absorbing interest and intensely practical value, it will pay you to buy this book. Read it and you will understand why the author was able to write a single circular which sold more than $60,000 worth of stock in small lots in three weeks. If you don't absorb some of the pushing spirit of this book and turn it to practical value in your own business it will be your own fault. Read what is being said about "PUSHING YOUR BUSINESS"—

I have read all the leading works on advertising, but I believe this is the most practical one I have seen. I am sure I shall be a better advertiser for having read it.

A. D. SALLEE, Adv. Mgr.,
Mellon Nat'l Bank, Pittsburgh, Pa.

I have carefully scanned every bit of advice on advertising I could get hold of. "Pushing Your Business" is so much better than anything else I have ever seen that I shall keep it on my desk as a textbook. It gives me inspiration in almost every sentence.

FRED N. VAN PATTEN,
Real Estate Investments, Syracuse, N. Y.

"Pushing Your Business" is the most interesting work of its kind I have yet seen.

JOSEPH C. ALLEN, Treas.,
Hampden Trust Company,
Springfield, Mass.

BANKING AND BUSINESS SYSTEM

GETTING NEW BUSINESS.

Articles by Men Who Are Experts in This Line.

HOW to increase deposits without resorting to methods that may provoke criticism, is a problem that confronts many a bank manager. Much of the work done along this line, owing to injudicious methods employed, has served to bring the practice of personal solicitation of new accounts into disrepute in some quarters, but we believe that it is possible to handle this work in such a way that it will be as clean and satisfactory as any other feature of banking.

SILAS W. HATCH

A Man Who Creates Business for Banks.

Mr. Silas W. Hatch, now of Washington, D. C., has had remarkable success in this line of work, securing thousands of new accounts. For the benefit of readers of THE BANKERS MAGAZINE Mr. Hatch outlines his method as follows:

My method of securing new depositors is by personal solicitation and I secure both commercial and savings in this way, systematically soliciting the head of every household, and every business concern, explaining fully the facilities, rate of interest, location, safety, and advantages, etc., of the institution I represent.

You would be surprised at the inactive money, and permanent depositors which I secure in this manner at a very nominal cost and in a dignified and effective manner. I find the majority of people know nothing whatever about banking. They know that a bank is a place to deposit money, and if they put it into a savings account and it stays long enough, they draw interest, and if the bank fails they lose it all. And I find any number of people who keep their money hidden, or who have withdrawn money from the banks because they did not understand the advantages of having it in a bank. My past experience has demonstrated beyond any question that these same people in almost every case will gladly bank their money if they are properly approached and the advantages, safety, and facilities of the bank are explained to them.

I have made a special study of the proper methods to be pursued for this particular purpose and six years' experience with trust companies, savings and national banks has demonstrated beyond all question that highly satisfactory results can be obtained in this line of work if proper and persistent efforts are made.

While I put up five to ten thousand dollars cash as a guarantee, and make my contracts with all banks conditionally, that they pay me only for actual results and pay nothing whatever until accounts have been secured and accepted by them, I find that a good many banks do not desire my services owing to their classing me with individuals and companies that have disgusted banks throughout the country and whose methods and principles, in my opinion, merit nothing but failure.

Results bear Mr. Hatch out in his claims. The United States Savings Bank of Detroit, Mich., makes a statement to the effect that Mr. Hatch secured 6,000 new depositors for it by personal solicitation and that the character of the accounts is excellent. He secured 1150 new depositors for the Union Stock Yards Bank of Buffalo, N. Y.; 1000 new accounts for the Mercantile Bank of Baltimore, Md.; and 5250 new depositors for the United States Trust Company of Washington, D. C., within less than five months.

TRAINING FOR SUCCESS.

A Talk on Salesmanship of Interest to Every Bank Man Who Meets Customers, By A. F. Sheldon, President of the Sheldon School.

INTRODUCTORY NOTE. In accordance with our purpose to present in this department from time to time articles of practical value by experts we are publishing this month an article on salesmanship by a man who has reduced that subject to a science. Some of the readers of this department, as bond salesmen, and solicitors of commercial accounts, will be directly interested in what Mr. Sheldon says. And we believe that every bank man who comes into daily contact with his institution's customers—actual and prospective—can profit by reading this article.

ANY discussion of Salesmanship should properly begin with a definition of the term in order that we may understand clearly what we mean by it.

A great many people who attempt to give this meaning are in the same position as the small boy who told his teacher he knew his multiplication table all right, but couldn't find words to express it.

Salesmanship is not, as a leading wholesaler said the other day, "the art of disposing of the goods one has to sell." Anyone can dispose of goods by cutting prices and sacrificing profits. He can dispose of them by giving them away, for that matter, but neither of these methods requires real salesmanship nor proves profitable to the seller.

Salesmanship is the sale of goods for profit.

And yet this definition *defines* but does not *explain*.

Salesmanship is something more than the exchange of goods for money. The act of exchange is not the sale itself, but the *result* of the sale. The sale is really accomplished when there is a *decision* in the mind to buy. The signing of the order and the exchange of money for goods are necessary details which follow the decision.

A man who sells another man what he had already decided to buy does not necessarily make a sale. He is probably only taking an order. The sale was made when the customer decided to purchase.

The sale is a mental process; it must take place in the mind. In order to make the sale, the salesman must alter the customer's state of mind until it agrees with his own. How is this done?

He first secures attention. As he proceeds he carries the mind of the customer from attention to interest, from interest to desire, and finally, at the psychological moment, brings out his strongest closing arguments and crystallizes that *desire to have* into a *decision to buy*.

No sale was ever consummated until the mind of the customer had taken those four steps of attention, interest, desire, and resolve. It is true that in some cases these steps are almost simultaneous, but they take place nevertheless, and in the order named.

A. F. SHELDON

Who Has Proved the Truth of His Theories About Getting New Business.

There is just one way by which a salesman, or anyone else, can change or influence another's state of mind.

That is through the power of persuasion in one of its many forms.

Did you ever realize this?

The only way the mind can be changed or influenced is by persuasion.

The word persuade is one of the greatest in the language. A man who has the power to persuade can get almost anything he wants in this world.

We all try to persuade others, and so far as we are able to do so, we are successful. The politician persuades the voters that they should elect him, the lawyer persuades the jury that his cause is right, the preacher persuades his congregation of the correctness of his beliefs, the man in search of employment persuades the employer to take him.

Since a sale is a mental process, since a desision can only be reached in the mind, and since the mind can only be influenced by persuasion, we reach the conclusion:

"Salesmanship is Persuasion."

Our lives are made up of a succession of efforts to persuade. In the performance of our duties we endeavor to persuade those above us that we are competent and efficient. The most trivial acts of our lives are prompted by a desire to please, to persuade some one that we are worth some attention or consideration.

We do not persuade alone by language. There are many other things besides words which contribute to the power of persuasion. The great actor persuades his audience that he is a great actor, but he does not do so by words of his own; he speaks the thoughts of other men; he persuades by his manner of speaking, his manner of acting, and by some indescribable force of his own personality with which he imbues his work.

Selling a Bond Issue.

The salesman who sells a bond issue does not persuade simply because he said certain words. Many another could have said the same things and yet not have made the sale.

It is the way he said them almost as much as the words themselves. It was his bearing, his appearance, his enthusiasm, his sincerity, his health, his mental acuteness, his determination, his apparent reliability. All these things and many more, in a word, *Personality,* contributed to the salesman's power of persuasion and enabled him to make the sale.

But right here some one asks if this "power to persuade" which we have named as the essence of salesmanship, is not an inborn trait or gift in one who possesses it? Some one quotes that old saying "Salesmen are born, not made," and wants to know if that saying isn't true. And if it isn't, then why?

So we may as well discuss this "natural born" salesman right here. Strictly speaking, the term "natural born salesman" has about as much significance as a "round circle." Of course all salesmen are "born," and if born, are certainly "natural." How could any normal individual be anything else but "natural born"? As a matter of fact the only "made" salesman we know of is the wooden Indian in front of the cigar store.

The first part of the saying, "Salesmen are born, not made," is undoubtedly true. The phenomenon of being born seems to be common to all men, salesmen being no exception to the general rule. With the latter part of the old adage, however, there are now many people ready to join issue.

No one has ever accused lawyers, doctors, editors, preachers, or successful business men of being "born, not made." Poets and salesmen are the only exception to the general rule. They alone of men, we hear, do not need to go through the great making process Nature and circumstances provide for other men. They are not made—no, no; they're just born; they merely happen—arrive at unexpected times and places; there is no special reason for them; they are not subject to natural laws, do not move from cause to effect. In short, they are unusual, and can be explained only on the assumption that they are "born."

Does such talk sound reasonable?

We all know, when we stop to think of it, that the real salesman's power lies in certain traits of personality. In some individuals, these traits, through environment and cultivation, have been developed into greater prominence.

But all persons are "natural born" salesmen in the sense that they have within themselves the vein of the positive qualities. This vein of the positive is, however, lost, in many cases, to the individuals unless they are helped, through simple analysis and careful instruction, to find it.

The Power of Persuasion.

All of which is said in full knowledge of the fact that it takes longer to develop to a high degree the power of persuasion in some than in others. On the other hand there are thousands who possess the power of persuasion but who do not know it because they never have given themselves a trial.

With all respect to the "self-made" man, it is nevertheless true that every man has a great deal of help outside of himself in his making. In fact, no man probably would ever have got very far, if he hadn't received a good deal of help. The difference between the strong man, who is pointed out as a "self-made" man, and the man who is

not so strong, is simply this: The "self-made" man was wise enough to avail himself of the help that came within his reach, while the other man was not.

Jeffries was a "natural-born" prize fighter, but he never would have won the belt and retained it for several years had he not trained to the highest possible degree of proficiency the natural powers which nature had given him. This is just so in Salesmanship; the "natural born" salesman can be made a prize winner of the highest type if he will study the Science of Salesmanship and train to the highest possible degree of proficiency his natural talents and powers.

A more striking illustration is seen in the case of Helen Keller. All the world knows the story of that unfortunate girl—deaf, dumb and blind from infancy—and how the patient application of the scientific principles governing the development of the objective senses has produced the marvelous result of transferring the sense of sight, the sense of hearing, and the power of speech to the tips of her fingers.

If such a wonderful transformation can be effected in the case of one so handicapped, what man, in the full possession of his objective faculties, will say that he cannot rise above his present environments?

Every man is a bundle of wonderful possibilities if only he will develop the possibilities.

Education is the alterating force that brings out the latent faculties.

Even the "natural born" salesman is not perfect. He will respond to the alterating forces. There is no good salesman but can be a *better* salesman.

Permanent and increasing success in salesmanship depends upon true education. Then the question comes: What shall constitute true education? How may a man train himself so that he will possess the "power to persuade" which is salesmanship in the abstract?

True education—the kind of education that should go on all through life, consists of two processes; First, the eductive or drawing-out process; Second, the instructive or filling-in process. The one is as important as the other.

A man is made up of numerous faculties and qualities of the body, the intellect, the emotions, and the will. These faculties and qualities may be either positive or negative. True education draws out—educts—the positive faculties and qualities. Any education that drew out the negatives would be false education. The law of healthy development makes it imperative for men ever to be filling in useful knowledge and ever drawing out the positive, good faculties and qualities of the body, the intellect, the emotions and the will. As the positives are drawn out the negatives disappear, as darkness vanishes before light.

We have mentioned the positive qualities. Let us see what we mean by these.

Within each of us there is the better man and the bad man. The thing to do is to make the better man boss. The positives are the attributes of the good man, the strong man, the efficient man: the negatives are the attributes of the bad man, the weak man, the inefficient man.

Human Positives and Negatives.

This law of duality of positives and negatives runs all through nature. We have the positive in light, the negative in darkness, the positive and negative poles of the magnet, etc.

And the law of positives and negatives runs all through man in his body, mind and soul.

One cannot but admit the overwhelming importance as factors in success of such positives as tact, good judgment, self-reliance, initiative, courage, loyalty and the many other similar qualities.

To eat, drink, sleep, think and live rightly is to have health, which means *endurance*. To develop such positives as memory, reason, perception, observation, imagination, is to develop *ability*. The development of the great emotive qualities such as honesty, courage, enthusiasm, loyalty, means dependability—*reliability*. The development of the will, the master that drives you on to initiative and accomplishment—means *action*.

And the man who has these four essentials of efficiency—endurance, ability, reliability and action is invariably—he must be—a successful man.

A man must not only have knowledge, but he must be able to use it; he must not only know what it takes to make a man, he must *be a man* before he is truly educated, before he will achieve a real success.

Development of the intellectual alone has never spelled success. Development of the body, of the heart, of the will alone has never spelled success. It takes all four.

And the most important thing—the fact that must never be lost from sight—is that these positives, under a true system of education, may be developed by every individual.

Nothing is more certain than that permanent and increasing success depends upon true education—not necessarily collegiate education, as we find that many of our best men are not college men. They are, however, truly educated from the standpoint of latent faculties and qualities and they have also in the great school of life, filled in much useful knowledge, knowledge which

they could use in their business from day to day. They have applied themselves more than the ordinary individual is willing to apply himself to the end of both processes of education—education and instruction.

In all salesmanship there are four factors, the salesman, the customer, the goods and the sale. Each of these enters into every transaction, and must be accounted for.

As to the customer, the salesman must know how to find him, how to read and handle him, how to size up men, how to read character and how best to appeal to the various types of temperament with which he comes in contact.

As for the goods, it goes without saying the salesman must thoroughly understand the thing he is selling, he must not only understand the goods and analyze them into their selling points, but he must be able to express forcibly and in a persuasive manner his knowledge of them.

The sale takes place in the mind, it is a mental process in which there are four steps and only four, which constitute the mental law of sale. The methods whereby the sales can attract *attention,* evoke *interest,* arouse *desire,* and awaken *resolve* in the customer are capable of reduction to exact rules and with these every salesman should be familiar.

Last, and most important of all, the salesman. Unless he is to be the weak one in this group, he must have certain characteristics and abilities on which we have briefly touched. He must be a well-rounded, symmetrical man if he is to be a success in business. How is he to become such? By true education, such as we have already defined.

Education for Business.

What should enter into a system of education for a business career? First of all, I would mention the science of self-development, or character building, an eductive process of true education.

Along this line the individual should become familiar first with the basic positive faculties and qualities of the body, the intellect, the emotions and the will, which when developed produce a strong personality. He should become thoroughly familiar with their exact scope and realize fully their commercial value. He should know of exact practical methods for the development of these faculties and qualities.

Then there must be instructive training. Here enters the salesman's specific knowledge of his own business, of his goods, of the field, of local and national sales conditions, of the relation of advertising to sales—all the detailed information which makes the trained man valuable to his house. There are, of course, many other kinds of instructive knowledge which the salesman should and does have, but this will suffice to illustrate the distinction between the two divisions of the educational process.

How are these to be gained? By study, by conscious building up of the powers, resources and equipment of the individual.

A man is made after he is born. He begins with little faith—he develops great faith; he begins with little courage—he develops great courage; he begins with little intelligence—he develops great intelligence; he begins with little love—he develops great love; he begins with a little business—he develops into a merchant prince.

All men are natural born.

But watch the natural born man who has cultivated the study habit. With it comes the ability to analyze his own character and personality and to consciously watch its development. How quickly he passes by his fellows! Ere long, we see him on the mountain tops. The cream of the business world is bound to rise. It won't stay down.

INDIA'S POSTAL BANKS.

CONSUL-GENERAL WILLIAM H. MICHAEL of Calcutta reports that the following rules governing deposits in the post-office savings banks of India went into effect on April 1, 1908:

(1) The agent of a female depositor withdrawing money from her account will be required to certify on the application for withdrawal that the depositor is alive and sane.

(2) Every suboffice which does savings-bank work, instead of only certain selected suboffices, will repay deposits without previous reference to the head office, provided that funds are available in the suboffice. In the case, however, of applications for withdrawal from minors' accounts, security deposit accounts, and conjoint accounts payment will, as at present, not be made until a warrant of payment is received from the head office.

(3) The limit of the amount of withdrawals without notice from the deposits at call at the credit of a public or a conjoint account has been altered from 2,000 rupees ($648.87) within 12 consecutive months to 1,000 rupees ($324.43) within a calendar month.

(4) Deposits in security deposit accounts will be allowed at call and not subject to six months' notice of withdrawal.

CURRENT OPINION

DEPOSIT INSURANCE.

IN an address before a meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria on June 11, James B. Forgan, president of the First National Bank of Chicago, discussing the proposal to insure bank deposits, said:

"Careful consideration of these matters cannot fail to reveal the injustice of taxing the sound and conservatively managed banks, which are in the great majority, for the benefit of the few that are unsound and recklessly managed. The sound banks do not need and would never have any call on the guaranty fund to which they would contribute, while the unsound and recklessly managed institutions would build up their business on both sides of their balance sheets, *i. e.*, in both their deposits and their loans, by granting their customers accommodations contrary to all sound banking principles and methods. The unsound banks would actually take business away from the sound ones with specious promises, to which conservatively managed banks would not resort, and on reckless terms, with which they would not compete, while to the extent of their contributions to the guaranty fund the sound institutions would support the unsound in their recklessness, besides giving them a standing and credit which they could not otherwise obtain. By a wide-open policy as to credits granted, a reckless banker could build up a mushroom business, with which no Examiner, Comptroller, Clearing House Committee, nor any other authority might find good grounds for interfering otherwise than by criticism, expostulation and advice, until some such occurrence as the failure of some large customer would compel the bank to stop, and so uncover the whole festering cesspool of bad credits and reckless banking. Shrewdness and good judgment might have anticipated the final outcome, but no one would be willing to assume the responsibility of taking drastic action on the strength of his fears. No system of supervision by bank examination, however perfect, will ever make an honest man out of a rascal, and has not Solomon said: Though thou shouldest bray a fool in a mortar among wheat with a pestle, yet will not his foolishness depart from him.

* * * * *

"Anything that can be legally and equitably done to protect the depositors, to raise the standard of the banks and of the men engaged in the banking business, to protect the honest banker against the dishonest one, to keep those engaged in the business honest and to punish those who are dishonest, should be enacted into law, and the laws for such purposes cannot be made too rigid. But to attempt to make all banks equally safe by passing a law that would establish an artificial credit for the incompetent and the dishonest, enabling them to offer all sorts of specious inducements to the public for business, and thus creating illegitimate and ruinous competition against sound and conservative bankers, would have in the long run contrary and disastrous results. By the passage of such a law the rascal would be tempted to become a national banker, and to cover himself with a mantle of credit which otherwise it would be impossible for him to acquire and which would be provided for him by and at the expense of all the good national banks in the country. This would not be a 'square deal.' It would place a premium on dishonesty and reckless banking and tend to abate the ambition of good bankers everywhere to excel in their calling and to acquire that good name, which Solomon says, 'Is rather to be chosen than great riches.' The proposal is abhorrent to business sense as well as to justice and equity.

* * * * *

"The way to promote sound banking is to establish sound principles in our banking system and methods; to encourage honesty and conservatism in bank management and to discourage the reverse; to recognize honesty, ability, experience and training where they exist; and to reward such bankers as have these virtues with the preeminence which is their due and with the confidence to which they are entitled. These qualities in bank management are funda-

mental to the promotion of sound banking. What is there that will tend to promote sound banking in the proposal to make the bank of ample responsibility and with honest, capable, shrewd and sagacious management no better in the estimation of the public than the one having inadequate responsibility and dishonest and incapable management? Is it not reasonable to assume that it would have the very reverse effect, and tend to reduce all to the level of the least meritorious?"

ORIGIN OF THE ALDRICH BILL.

FROM the standpoint of financial history purely, the following from the New York "Journal of Commerce" of June 6 will be found of interest:

"Senator Aldrich, in supporting his bill, declared in so many words that he knew of 'no bank or bank man who is in favor of the bill,' and that 'the banks throughout the country are against it.' It is notorious that the Senate and House were flooded with protests from the banking community and the commercial interests against this 'long stride forward in rounding out and perfecting the national banking system. At the same time Mr. Aldrich knew when he made his statement, and many others know now, that his bill had its origin and its chief backing from certain powerful banking interests in this city, known as the Standard Oil and Morgan interests, which have a much larger concern in the market for securities than in the security of bank currency. There is no reason to deny that these men feel assured that the bond-secured currency is safe and they may be convinced that it is good for the country, but if they have any conviction of the kind it is reached under the sway and bias of a self-interest centered in their own financial advantage."

INTERNATIONAL BANKING AND FOREIGN TRADE.

AT the last annual convention of Alabama bankers an interesting address on "International Banking" was delivered by S. D. Scudder, of the International Banking Corporation in New York. After describing the operation of foreign exchange Mr. Scudder said:

" I have friends in a foreign port who would gladly procure there, if they could, some exchange in dollars with which to pay for goods bought from their Boston house. But that foreign country sells and exports annually so small a quantity of merchandise to the United States, because of the prohibitive tariff laws, that no such exchange is to be had, and thus it happens that settlements even for goods imported there from the United States must be made through London. My friends settle with their own house in Boston by purchasing pounds sterling drafts on London. The Boston people, when they receive these drafts, then sell them to a foreign exchange banker for so many dollars. Thus London gets a tribute on business which never originated there, on goods which never went there and on a settlement which but for our prohibitive policy would naturally have been made direct. You may ask: 'Supposing an American bank or its branch were located there, would Europe still collect this tribute?' I reply, yes, under our present prohibitive trading laws the larger portion of all commissions must necessarily go abroad, because in the absence of sufficient export trade from such a place to the United States any American bank or branch there would itself be compelled to settle with its United States head office through Europe. Supposing for the cotton you take abroad, it were permitted to bring back some goods to be sold here at a reasonable profit, wouldn't your cotton shipment and the money it represents 'be earning its way back,' so to speak? But our high protective tariff forbids the importation, and so you are compelled to ask that gold be sent back, not only at great cost and loss to you in dollars and cents, but also in ultimate loss of trading opportunity with the people you have been selling your cotton to. Already we see cotton fields springing up where none were thought possible before Wheat growing and cattle raising is now going on in countries which up till now we have thought absolutely independent upon our supplies. I am not a free trader, but I want our people to awaken to the danger that threatens. The crisis which the whole world is now passing through is due largely to our action here in America during the past three decades. The impression has been gradually gaining abroad that we want the earth; and when you consider that we are simply one member of a great and inseparable family, this is a mighty bad thing to get into the heads of the rest. The upbuilding of an artificial wealth in this country by an excessively high tariff for a time seemed attractive, but the bringing to light of the true facts has now disillusioned all conservative and patriotic citizens. High protection if persisted in will finally kill all our remaining international facilities. Gradually but surely if our present artifical system is continued we will be driven within our own walls by the other members of the family of nations. Comparatively few in this country outside of those who live on the Coast

realize that the greatest war in history is now on. Not a battle fought with powder and swords as of old, but a war of trade and barter, a peaceful war as compared with the bloody conflict of by-gone ages, but none the less decisive—a struggle which will determine the fate of many people.

It was a constant source of astonishment to me that the American merchant and the American manufacturer had not that financial backing abroad which was vouchsafed to the business men of other lands by their own banks. Not that there was then any scarcity in the United States of private firms and even banks employed in international banking. But I found that almost without exception these firms and banks either were of foreign origin, possessed a foreign partnership or else represented on this side some foreign bank or banking house. At the same time it was strongly impressed upon me that by far the larger portion of all strictly commercial international transactions on this side pertained to exports and not to imports. And so the conviction came that the reason for the existence in our land of these great foreign banks and foreign private houses was primarily because of the export trade which we were furnishing to those countries. If you look back upon history you will find that particular nation in the foremost ranks of banking which has possessed the most liberal trade laws."

FAVORS CREDIT CURRENCY.

HON. JOHN W. WEEKS, vice-president of the First National Bank of Boston, and recognized as one of the ablest members of the Monetary Commission appointed at the recent session of Congress, is quoted as follows in a recent number of the "Boston News Bureau":

"I am personally very friendly to credit currency. To my mind it presents a most desirable policy, and I undertake to say that as soon as the prejudice of those who are familiar with other forms of currency is overcome it will have many advocates and the opposition now existing toward credit currency will disappear. But abrupt changes in such a delicate subject as currency are not desirable, and any changes we conclude to make which will lead us from a bond-secured currency to a credit currency should be made by gradual stages, so that the people may become used to the new form and thoroughly satisfied that it is sound and workable."

NEW COUNTERFEIT $10 GOLD CERTIFICATE.

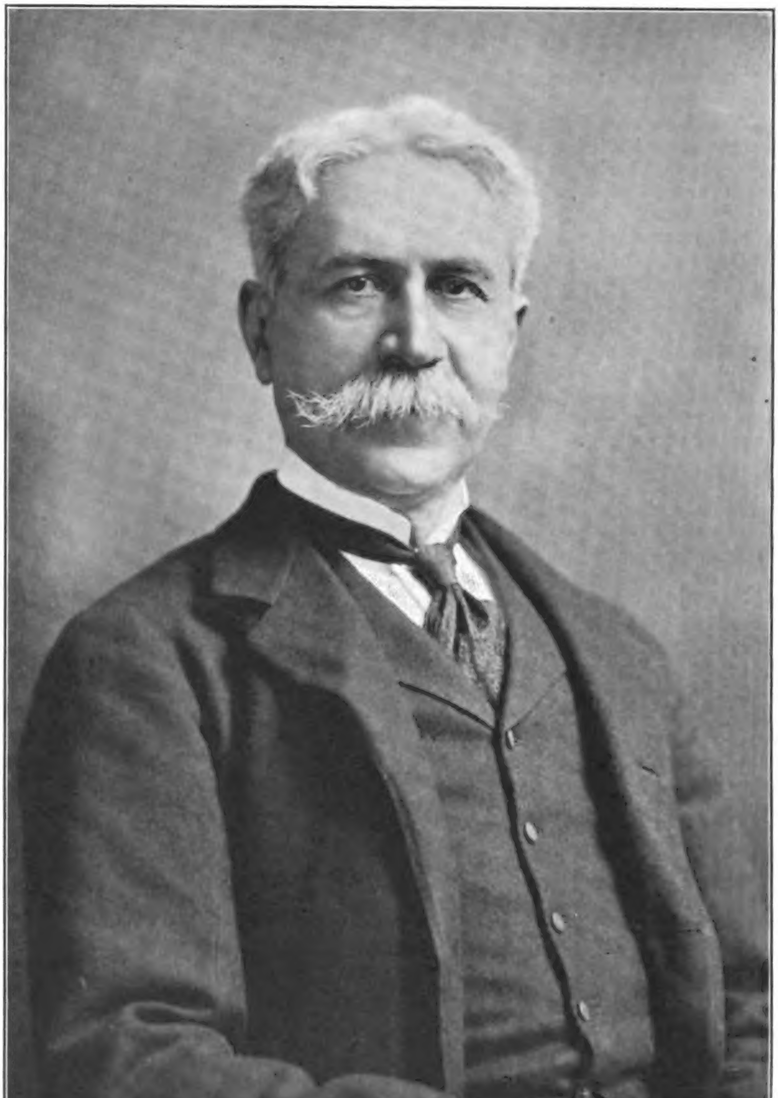
ACT of July 12, 1882; series of 1907; check letter "D;" face plate number 7; W. T. Vernon, Register of the Treasury; Charles H. Treat, Treasurer of the United States; portrait of Hillegas. The number of the sample before me is A1437936.

The note is a photomechanical production on two pieces of paper with distributed red and blue silk fibre, which is much finer and more hair-like than the genuine. The color of the seal, denominational "X" and back are all darker than the genuine. The portrait of Hillegas is so poorly executed that it should attract instant attention and establish the spurious character of the note. In the upper-border design on the face of the genuine note under the line "This certifies there have been deposited in the Treasury of the" there is an ornamental arc finished at each end by a scroll. In the genuine this arc, which is about one-sixteenth of an inch wide, is marked by a series of distinct and regular perpendicular lines. In the counterfeit this arc looks as if it had been executed with a pen, is blurred and scratched, and the individuality of the perpendicular lines almost disappears. The general effect of the back of the note, aside from the darker color, is better than the face but close inspection discloses work so inferior that it cannot be mistaken as a genuine production. This note made its appearance in New York and the division is under obligation to Mr. Charles M. Chatfield, assistant paying teller in the treasurer's office of the Erie Railroad Company for the detection and first sample of this counterfeit.

The note is sufficiently deceptive to make it dangerous among inexperienced or careless handlers of money and all notes of this issue should be carefully scrutinized.

GOLD FROM ALASKA.

THE steamship Senator, the second of the gold fleet out of Nome, Alaska, reached Seattle, Wash., July 1, with $367,000 in bullion, and on July 2 the steamship Umatilla arrived from the same point with $125,000 on board. Commenting on the recent gold receipts the Seattle Post-Intelligencer says: "So common has it become for Alaska ships to bring to Seattle gold valued at a million or more, that it will be necessary to ship something that sounds like a billion before any great excitement can be created."



JOAQUIM NABUCO
Brazilian Ambassador to the United States.

IN the century that has passed, the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.—*Theodore Roosevelt.*

THE BRAZILIAN AMBASSADOR TO THE UNITED STATES.

BRAZIL sends as its Ambassador to the United States Mr. Joaquim Nabuco, a man of distinguished ancestry, wide experience in parliamentary life and in the field of diplomacy, and of high attainments in scholarship.

Mr. J. Nabuco was born in Recife, Brazil, in 1849. He is a son of the late Senator Nabuco, chief of the Liberal Party in Brazil during a period of Dom Pedro II.'s reign. Both his grandfather and his great granduncle were also senators, so that he represented in the Brazilian Parliament, when he entered it, the fourth generation of his name, the only such instance under the Empire. On his mother's side he is a great nephew of the Marquis of Recife, who saved the national unity of Brazil in 1824. He is married to a great niece of Viscount Itaborahy, for thirty years chief of the Conservative Party.

In 1871 Mr. Nabuco got his degree at the Faculty of Law. In 1876 he was appointed attache to the Brazilian Legation in Washington. In 1878, on the death of his father, he was elected to Parliament and for years devoted himself entirely to the cause of the abolition of slavery. He visited Portugal, where he was received by the Portuguese Parliament. He also visited London, where the Anti-Slavery Society held a reception in his honor. In January, 1888, he went to Rome to obtain the Pope's moral concurse, Leo XIII. showing great sympathy and promising to write an Encyclic to the Brazilian bishops favoring the cause of abolition, which he did, but the Encyclic was published too late, owing to the rapidity of the movement, resulting in complete success on May 13, 1888. The abolition of slavery attached Mr. Nabuco to the Imperial dynasty, which had risked all for its sake, and when, on November 15, 1889, the Republic was proclaimed, he kept apart from the general movement that led both the old monarchial parties to accept the new regime. From 1889 to 1899, as he said, he wore the mourning of the Monarchy. In that decade he wrote several books, the chief of which was his father's life, a biography which is a constitutional history of Dom Pedro II.'s reign. Since 1895, he had, however, lost hope of seeing monarchy ever restored in Brazil, and he realized every day more distinctly that the monarchial agitation would only be profitable to the extremist Republican section and would prevent the cooling down of the political surface to a temperature that might render it inhabitable for all opinions. Many of his writings since 1895 expressed the wish of reconciling himself with the new destinies of the country. Such was his frame of mind when he received, in 1899, an invitation from the Republican Government to take charge of the cause of Brazil in the question of her boundaries with Great Britain, and he felt it was a patriotic duty to accept. Two years later, in 1901, loyally acknowledging what he called the prescription of history he returned to the diplomatic service as Brazilian Minister to England.

His work on the Guiana Boundary comprises seventeen folio volumes in French, of which a large atlas, all presented within a year and printed under the general title: *"Frontieres du Bresil et de la Guyane Anglaise; Question soumise a l'Arbitrage de S. M. le Roi d'Italie."* As soon as the King's award was given, the Brazilian Government thought of sending him to the United States with the rank of Am-

bassador. Mr. Nabuco is the author of the following books: *"Camoes e os Lusiadas;" "O Abolicionismo;" "Balmaceda;" "Um Estadista do Imperior;"* his father's life; *"Minha Formacao;" "Escriptos e Discursos Litterarios."*

Mr. Nabuco is Honorary Corresponding Member of the Royal Geographical Society of London; Corresponding Member of the London Anti-Slavery Society; Columbia L.L.D.; Member of the Brazilian Academy of Letters, and of several other societies. He was President of the Third International American Conference at Rio de Janeiro in 1906. He is a Member of the Hague Permanent Court of Arbitration. He published in Paris *Pensees Detachees et Souvenirs* (1906).

MEXICAN AID TO AGRICULTURE.

A GOVERNMENT bill has been introduced in the Mexican Congress providing for subsidies to the extent of $25,000,000 (Mexican dollar equals 49.8 cents) to irrigation enterprises to be paid from special yearly appropriations. Another Government bill is for a concession for a new bank which will allow farmers to secure long-term mortgage loans; the total amount of the bonds which may be issued by the banking company, the principal and interest of which will be guaranteed by the Government, is not to exceed $50,000,000.

COALING STATION FOR MEXICO.

AT a cost of about $400,000, appropriated by the national Congress of Mexico, the republic is to have her first important coaling station at the port of Manzanillo, on the Pacific Coast. Both Houses approved the contract, and President Diaz has signed the act.

The station will be the first important station built by Mexico. It will carry a store of 120,000 tons of coal. Ships of all nationalities will be supplied with coal on equal terms. The importance of this station is manifested by the fact of the completion of the railroad to Manzanillo and other important railroad buildings of the Pacific slope, and means a tremendous impetus to the growth of the port.

PAN-AMERICAN RAILROAD.

PRESIDENT CABRERA has finally unlocked the long closed situation regarding the construction of a Pan-American railroad through Guatemala. The thirty miles of railroad now lacking to complete the link between the Mexican border and the Guatemalan capital will be finished within the next fourteen months.

Full concessions for constructing this road binding the concessionaries to have trains running over the road giving unbroken connection between Mexico City and Guatemala City within fourteen months have been granted and the contracts have been let for construction. The concession for this link of the road has been granted to two Americans.

GENERAL NOTES.

—Through the foresight of Senor Limantour, the able Minister of Finance, Mexico is to have a number of chambers of commerce (*Camaras Nacionales de Comercio*) established in the principal cities. They will be of a semi-official character, and in addition to their work in promoting commerce, will have jurisdiction in liquidating the affairs of failed concerns.

—The Republic of Columbia has established a bureau of information at 15 Whitehall street, New York city, where all information and other particulars concerning mining, agriculture, commercial and industrial pursuits, railroads, literature, etc., of the country may be obtained. This bureau is a branch of the Central Colombian Office of Information in Bogota. It will be provided with newspapers, maps and official publications of general interest which may serve to furnish information to the many recent inquirers in the United States concerning Colombia and the opportunities existing there for the investment of foreign capital. The office is under the direction of Dr. Alirio Diaz Guerra.

—The Colombian Government has made some material reductions in its budget for the financial year ending May, 1909. The total estimated expenditures for the coming year are $14,006,000, a reduction of $3,-236,000 over last year. As the estimated revenue for the next fiscal year is $21,645,-000, the Government expects a surplus of something over $7,000,000.

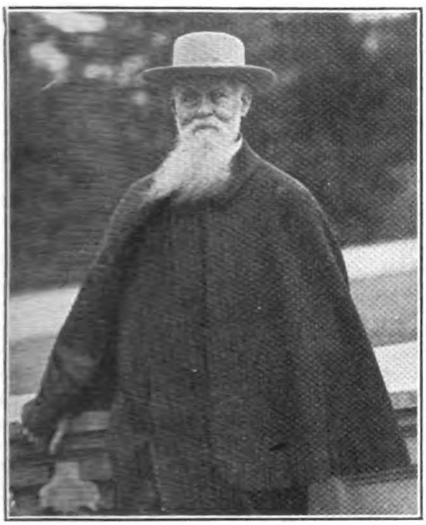
—Several new and interesting books relating to Latin America are reviewed in the department of Book Reviews, in another part of this issue of the MAGAZINE.

THE postal savings bank of India was established in 1882, in which year the depositors numbered 39,121 and the deposits amounted to $932,243. In 1907 the depositors numbered 1,190,220 and the deposits amounted to $49,223,283.

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

Jay Cooke, Financier of the Civil War. By Ellis Paxon Oberholtzer, Ph.D. Philadelphia: Geo. W. Jacobs & Co. (Two volumes; price $7.50.)

There are few names connected with the history of this country that possess so much of interest to the financial student as that of Jay Cooke, the great financier of the Civil War. But besides his close relations to that epoch, Mr. Cooke's career is instructive for the display of remarkable ability, energy and cheerfulness under adverse conditions.



JAY COOKE.

Like Robert Morris, the financier of the Revolution, Jay Cooke lost his fortune, but, unlike Morris, he lived to recover it.

Dr. Oberholtzer has given us more than a biography. He has furnished a financial history of the times with which his subject was associated.

The story of Jay Cooke's life reads like a romance. As told by Dr. Oberholtzer there is nothing dry or tedious about it. On the contrary, it is a delightful book to any one interested in the history of great and worthy achievements.

We hope at some future time to treat of this work in a manner more commensurate with its great and permanent value to American financial history. It is a book worth having and keeping—a charming biography, a faithful history, and an inspiration pointing to energy and hope as the keys to success.

The American Government: Organization and Officials; with the Duties and Powers of Federal Office Holders. By H. C. Gauss; with a compilation of data from original sources. New York: L. R. Hamersly.

This is a book of valuable information, giving in detail the organization of the various departments of the Federal Government, together with an explanation of their functions.

The 871 pages of the book are filled with instruction, presented in an interesting way. Descriptions of the Treasury and of the banking system will be found valuable to bankers.

Who's Who in America: A Biographical Dictionary of Notable Living Men and Women of the United States. By Alfred Nelson Marquis. (Price $4.) Chicago: A. N. Marquis & Co.

The fifth edition of this work (1908-1909) contains 2,304 pages and 16,395 names and sketches. In addition to the personal sketches contained in the present volume there are also references to sketches in previous editions which do not appear in this edition, thus making available for easy reference over 20,700 personal sketches of the most prominent Americans now living, or who have passed away since the first edition was issued in 1899.

The Geographical Index to this edition (an entirely new feature) adds greatly to the value and usefulness of the book. It groups by state, city and postoffice address all names in the volume, making it

easy to find the names for any particular place or locality. This index comprises 138 closely printed pages.

Who's Who in America is a highly valuable reference book.

✚

THE SOUTH AMERICANS: the Story of the South American Republics, Their Characteristics, Progress and Tendencies; with Special Reference to Their Commercial Relations with the United States. By Albert Hale, A.B., M.D. Indianapolis: The Bobbs-Merrill Co. (Price $2.50.)

Dr. Hale is well qualified for the work he has done in this book, and he gives us a work of value to the prospective traveler and the student, and of especial usefulness to those who seek to extend their trade relations with Latin America. One of the things the business man of the United States must learn if he is ever to get a fair share of Latin American trade. is that he cannot deal with these people as he can with his home customers.

Dr. Hale's book will straighten out many of these points, and will no doubt prove enlightening to many who have unsuccessfully sought to build up business connections with South America.

But the volume is more than a guide for travelers and business men. It contains much of history and description, and a number of good illustrations. All who desire to get better acquainted with the South Americans should read Dr. Hale's book.

✚

MINING INVESTMENTS AND HOW TO JUDGE THEM. By Francis C. Nichols, Ph.D. New York: The Moody Corporation. (Price, postpaid, $1.62.)

"Mining Investments and How to Judge Them" is an attractive handbook of about 240 pages, covering in a most entertaining as well as authoritative way, the whole subject of mining investments and the values of mining stocks. The author is a man of wide experience and sound judgment on this subject; he is a mining engineer of known ability; he has visited all the leading mining camps of the world, and has of recent years made it his business to ascertain the values of mines and mining securities for investors. The book contains twenty-one chapters, covering such subjects as the organization, financial and physical development of mining properties; the relation of mining stocks to the properties back of them; reasons why mining companies fail, and also why they sometimes succeed. He also states clearly the conditions under which mining propositions can usually be made a success as well as the conditions under which they are almost certain to fail. One of the ablest chapters in the book is that on the subject of investments in dividend paying mining stocks.

In addition to the subjects enumerated above, the author has supplied several chapters which describe the mining camps of the world and those of the United States, all of which are both entertaining and instructive.

✚

SOUTH AMERICA ON THE EVE OF EMANCIPATION: the Southern Spanish Colonies in the Last Half-Century of Their Dependence. By Bernard Moses, Ph.D., LL.D. New York: G. P. Putnam's Sons.

It is the aim of the author to present certain conspicuous events, institutions, and phases of life, that may illustrate the state of the Southern Spanish Colonies on the eve of the revolution which gave them independence.

The history of this development is carefully traced through its various steps, and the story told is both instructive and interesting. No one can accurately measure the great progress and achievements of the Spanish-Amrican countries without some standard of comparison with past conditions. Such a standard is afforded by this book.

✚

THE ESTABLISHMENT OF SPANISH RULE IN AMERICA—An Introduction to the History and Politics of Spanish America. By Bernard Moses, Ph.D. New York: G. P. Putnam's Sons.

This book has been written to present the main events connected with the establishment of Spanish rule in America, and to describe briefly the more important features of Spain's colonial organization and policy. It is not designed to embrace the history of the Spanish colonies, or to furnish a rigid analysis of their constitutional law. It aims, by the use of certain historical facts, to make clear to ordinary readers and to students in high schools and colleges the origin and character of the political and economic institutions constructed for the government of Spanish America. It aims, moreover, to suggest that American history is not all told in the history of the United States, and by making accessible in a concise form a general account of the Spanish colonies in their earlier decades, to offer an introduction to the neglected half of American history.

There are few more significant historical developments than the rise and decline of Spain's colonial power. The policies which were employed in dealing with the Spanish colonies may here be studied with interest and profit.

THE CONTINENT OF OPPORTUNITY: the South American Republics, Their History, Their Resources, Their Outlook. Together with a Traveler's Impressions of Present-Day Conditions. By Francis E. Clark, D.D., LL.D. New York: Fleming H. Revell Co. (Price $1.50.)

By the construction of the Panama Canal, attention has been turned very sharply in the direction of Latin America, and any book describing the resources of these countries is timely and welcome.

Dr. Clark in this volume shows himself to be a good observer, and he has made a most valuable contribution to the literature relating to Latin America. The description given of the various countries and their resources will be found of practical worth to those who have or who contemplate having business relations with these countries, while the historical, romantic and scenic features of "The Continent of Opportunity" are dealt with in a way that greatly enhances the book's interest.

✚

THE INVESTORS' PRIMER. By John Moody. New York: The Moody Corporation. (Price, postpaid, $1.62.)

"The Investors' Primer" is the fifth volume in the set published by The Moody Corporation under the general head of "The Investors' Library." It is an attractive volume and because of the field which it covers is really of great practical value to the investor. Following an interesting introductory chapter which consists of a general outline or description of the investment field, the book contains alphabetically arranged definitions of all the various terms and phrases used in the financial and investment markets, and a full description of the entire mechanism and machinery of investing. All the terms and phrases, many of which are not clearly understood by some brokers themselves, are here clearly and simply defined. In addition to this, the book embraces a section devoted to descriptions of the various issues of preferred and guaranteed stocks which are generally classed among high grade investment issues.

✚

HOW TO INVEST MONEY. By George Garr Henry. (Price, 75 cents.) New York: Funk & Wagnalls Company.

Mr. Henry is vice-president of the Guaranty Trust Company of New York, and writes from the standpoint of wide experience in handling securities. He clearly analyzes the principles of investments, and affords the investor a working knowledge of the various classes of securities—stocks, bonds, mortgages, etc.—which are available, and their relative adaptability to different requirements.

The growth of the literature of investment is a hopeful sign. It shows that the number of investors is increasing, and that they may, if they choose, have the assistance of expert counsel before making a choice of securities. Such advice is highly valuable, not only to those who are just entering the investment field, but to the banker who is accustomed to buying securities. For conditions are changing, and the best results are to be attained only by acting in the light of the latest and best information.

The underlying principles governing investments are clearly defined, and the adaptability of various classes of securities to different needs clearly shown. It is one of the most trustworthy guides for the investor that we have yet seen.

✚

COMMENTARY ON THE SCIENCE OF ORGANIZATION AND BUSINESS DEVELOPMENT. By Robert J. Frank, LL.B. of the Chicago Bar. Chicago: Chicago Commercial Publishing Co. (Price, vellum, $2.75; sheep, $3.)

The principles, laws and suggestions contained in this book are such as would, if followed, tend to promote safe and efficient methods of corporate formation and control. Among the subjects considered are: "Business Principles and Ethics;" "Business Building;" "Corporate Financing;" "Corporate Management;" "Reorganization and Consolidation of Enterprises;" and "Promotion of Enterprises."

Much clear and non-technical information is given about financing, organizing and promoting business affairs. This is an important addition to the literature of business.

✚

FIFTY YEARS IN WALL STREET. By Henry Clews, LL.D. New York: Irving Publishing Company. (Price, $3.)

Mr. Clews is one of the veterans of the Street. According to the Stock Exchange Directory issued July 1, 1907, there were then living but seven men whose membership of the Stock Exchange antedated his.

The volume contains over one thousand pages, full of history, anecdote, philosophy and sound business advice. There are sketches of all the giants—Commodore Vanderbilt, Drew, Loge, Jay Gould, etc., etc., and not the least delightful part of the book is the chapter devoted to Wm. R. Travers, the famous stuttering wit.

Mr. Clews has been in a position to ob-

serve the great changes taking place in our business and political life during the past half-century and has himself had a notable part in the shaping of events. His own career has been remarkably successful, and he points out in his book the basis upon which success must rest in Wall Street as elsewhere.

The concluding part of the volume contains a number of addresses, recently delivered by Mr. Clews, treating of present-day problems.

"Fifty Years in Wall Street" is a most entertaining and instructive book.

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THE MANUAL OF STATISTICS. New York: The Manual of Statistics Co. (Price $5.)

The Manual of Statistics for 1908 has just appeared, being the thirtieth annual issue of that standard reference publication. As usual, it contains in concise and complete form the information regarding railroad and industrial corporations of the United States and Canada, government securities, mining stocks and the grain and cotton statistics which are required by investors, speculators and stock market interests. The 1,080 pages of the compact and handsome volume present a great fund of data and statistics of a practical character on such subjects, its utility being enhanced by an arrangement rendering reference to the contents of any section easy and satisfactory. The present edition also devotes much attention to the newer industrial and mining companies whose securities have become such a feature in the stock markets of the United States, and furthermore gives the many changes in dividend payments which have occurred down to the date of its issue. It gives throughout evidence of accuracy and careful compilation, and is brought down to date in its descriptive and statistical details, making the volume one which investors and all who are interested in the financial and other markets of the country can use to good advantage.

+

WHY WORRY? By George Lincoln Walton, M.D. Philadelphia: J. B. Lippincott Co.

"The legs of the stork are long, the legs of the duck are short; you cannot make the legs of the stork short, neither can you make the legs of the duck long. Why worry?"—*Chwang Tsze.*

This is no attempt to exculpate the conduct of the man who goes to enjoy a game of baseball, leaving his family to starve, nor does it seek to provide a remedy for the supreme griefs of life. What Doctor Walton aims at is to show us how we may rid ourselves of many of the petty worries that beset us.

The counsel given is good and ought to be helpful to all those who are inclined to have undue solicitude about more or less trivial matters.

Incidentally we may express the hope that a future edition of "Why Worry" will correct errors in spelling ("tranquility," "dissention"), and be more accurate in quoting Whittier, and the real or alleged dying words of Lawrence, about giving up the ship. But perhaps these errors are not worth worrying over.

The book contains much sound sense, and its suggestions may well be heeded by men engaged in business activity.

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THOMAS GIBSON'S MARKET LETTERS FOR 1907. New York: Thomas Gibson. (Price $1.)

These letters contain many facts in regard to prices, crops, railway earnings, etc., together with a review of conditions at the time the letters were issued. Some of the prophecies were not fulfilled, but that was doubtless due to the perversity of the course of events in not paying proper attention to the predictions.

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WHO'S WHO IN NEW YORK CITY AND STATE. Edited by John W. Leonard. New York: L. R. Hamersly & Co.

Contains biographies of New Yorkers who are leaders and representatives in various departments of worthy human achievement, including sketches of the army and navy officers born in or appointed from New York and now serving, the Congressmen from the state, state senators and judges, and ambassadors, ministers and consuls appointed from the state.

In this, the third edition, the sketches have been revised, condensed or extended.

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BOOKS RECEIVED.

THE ECONOMIC BULLETIN. Published quarterly by the American Economic Association.

A somewhat extensive notice of the scope of this new publication was given in the May number of the Magazine. It is devoted chiefly to a review of economic works and to the indexing of book titles and articles on subjects of interest to economists.

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PROCEEDINGS OF THE NATIONAL CONFERENCE ON TRUSTS AND COMBINATIONS, under the auspices of the National Civic Federation. New York: National Civic Federation.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

HOME OF THE OHIO SAVINGS BANK AND TRUST COMPANY, TOLEDO, OHIO.

THERE is perhaps no finer specimen of bank architecture to be found anywhere between New York and Chicago than that which is shown in the magnificent building erected by the Ohio Savings Bank and Trust Company of Toledo, Ohio.

The artist and architect have here colaborated with those skilled in the building trades in the making of an institution that must appeal to the aesthetic sense of everyone who comes within its doors. Simple, but massive, without any attempt at showiness, this structure will be a monument to its builders and an ornament to the city of Toledo for years to come. Its floors of modern offices rise high above the surrounding buildings, assuring excellent light and ventilation and making them very pleasant indeed.

Stairway from Bank Lobby to Safe Deposit Department.

Description of Interior.

The bank's quarters are to be found on the first floor and in the basement, handsomely finished in marbles, costly woods and expensive tapestries from many countries. On three sides of the spacious lobby are the tellers windows and counters, separated from the public by a beautiful grill of cast bronze and plate glass.

Bank Lobby.

The lower part of these counters is of white marble as is also the floor of the lobby and the carved writing desk in the center of the room. Great square columns of American Pavonezzata, a high grade of marble quarried in Vermont, support the arched ceiling, which is of metal overlaid with goldleaf.

The simple lines of the iris and a monogram made of the word "Ohio" have been used as decorative features here and throughout the entire building.

To the right as one enters the bank are located the offices of the cashier and the president, and further back is the president's private office and the directors' meeting room.

Of these the directors' room is the most elegantly finished. Carved mahogany wainscoting six feet high extends around the room, while the walls are covered with a high grade of English tapestry. A specially designed rug covers the floor and the furniture is of massive mahogany decorated with the carved iris and Ohio monogram in green ebony and satin wood.

With the exception of the women's meeting and consultation rooms in the basement, the entire bank is finished in India mahogany with loose furniture to correspond.

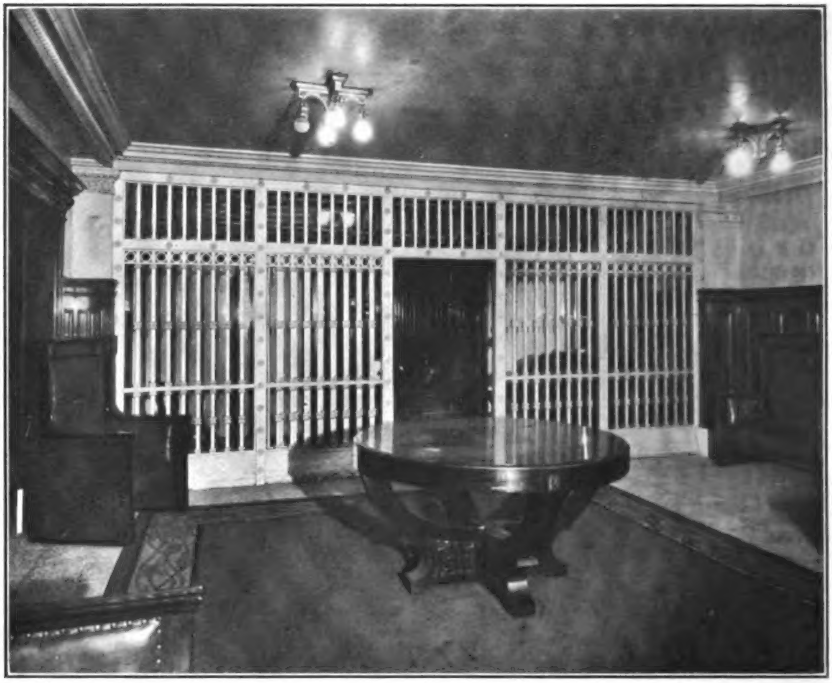
The Ohio Savings Bank & Trust Co. makes a specialty of savings accounts—of looking after the welfare of the small depositor. This department is to the left as one enters the lobby. The card index system is used and the bank will be able to care for 35,000 depositors. There are five windows for depositors, running the length of the alphabet, and one window for the registering of new depositors.

Partial View of Officers' Quarters.

THE VAULTS.

The three massive vaults in the building were designed by and manufactured under the personal supervision of C. W. Hains of Columbus. Mr. Hains is an expert in the matter of bank vaults and designed and installed the big treasury vault at Columbus, Ohio.

To enter the cash vault one must pass through two doors, the outer one weighing about 10,000 pounds and being of six-inch steel, while the inner door is of two-inch steel. The inner door is a straight combination affair while the outer door is equipped with a quadruple time lock.



Entrance to Safe Deposit Department.

Ladies' Reception Room and Consultation Room.

OHIO SAVINGS BANK AND TRUST COMPANY, TOLEDO, OHIO.

Backing up the steel walls of the cash vault is a thirteen-inch concrete wall re-inforced with twisted steel bars.

The book vault is located by the side of the cash vault and is constructed along fire proof lines rather than burglar proof.

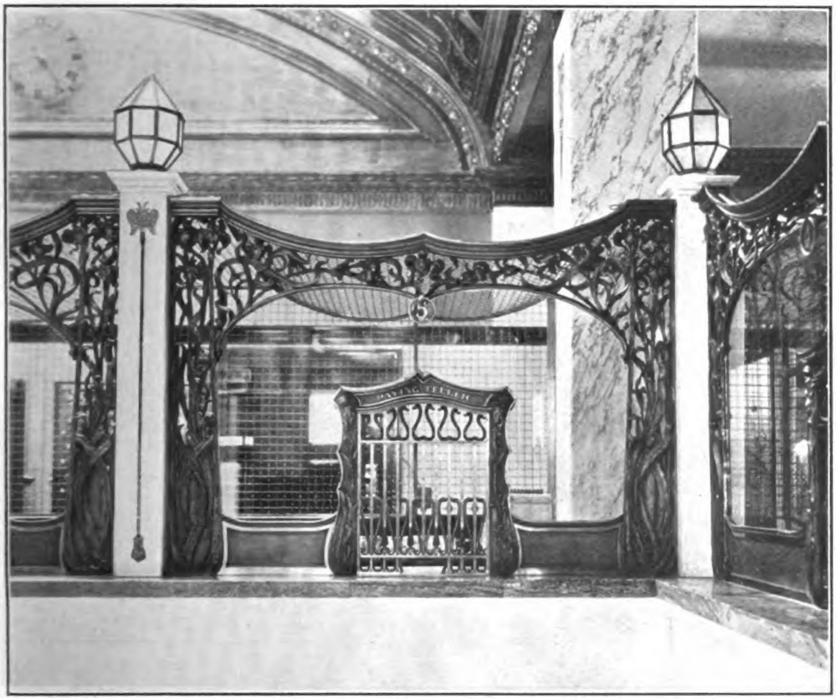
The safety deposit department of the bank is located in the basement. This department alone covers 3,000 square feet of floor space and is composed of the public lobby, the big safety deposit vault, the women's meeting and consultation rooms, the men's meeting and consultation rooms, fourteen coupon rooms and the corporation rooms.

The safety deposit vault is 50x9 feet and now contains 1724 boxes with space in the vault for the storage of trunks and large boxes of valuables.

Two keys and likewise two persons are required to enter any of the safety boxes after they have once been rented. If a customer desires to look over any papers he may have in the vault he calls on the custodian who has a desk outside the vault. Both the master key in the possession of the customer and another key with the custodian are required to work the locks. The coupon rooms are for the use of customers who wish to look over their papers at the bank. The rooms are strictly private and equipped with lights, tables and chairs.

Business Meeting Rooms.

The meeting and consultation rooms are for the use of parties who have papers at the bank and who wish to hold meetings of a business nature. The corporation room is for the use of corporations for business meetings.



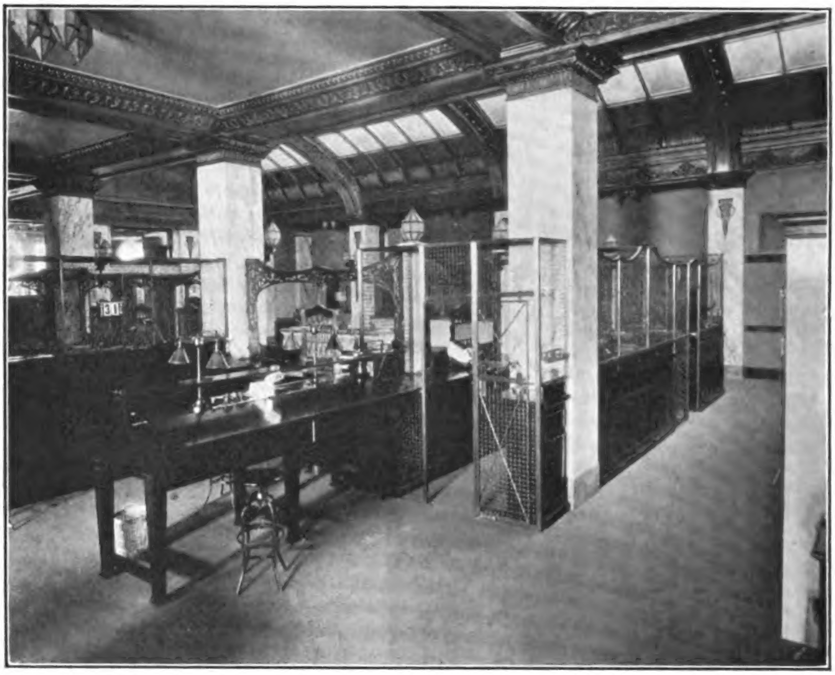
Paying Tellers Window.

The bank also conducts a real estate trust and bond business. This office is located to the left as the main lobby is entered. O. K. Hutchinson, late of the well known bond house of Fisk & Robinson, is in charge of this department.

The Ohio Savings Bank and Trust Company has become popular with the wage-earners of Toledo and its rapid growth has been marvelous.

The officers of the institution at present are as follows:

David Robison, Jr., chairman of board; Jas. J. Robison, president; Edward Ford,



Individual Bookkeepers Desk, Paying Tellers Cage and Receiving Tellers Cage.

vice-president; Edward H. Cady, cashier; C. E. Kirschner, assistant cashier; E. A. Williams, Jr., trust officer.

Directors: D. Robison, Jr., J. Kent. Hamilton, C. M. Spitzer, D. C. Shaw, M. B. Daly, Thos. H. Tracy, W. F. Robison, Edward Ford, W. H. Bruns, E. W. Newton, Geo. S. Mills, C. M. Feilbach, Thos. J. Watson, Jas. J. Robison, Edward H. Cady.

NEW HOME OF A MASSACHUSETTS TRUST COMPANY.

SPRINGFIELD, Mass., has taken another stride toward metropolitan conditions by adding to its roster of fine public buildings the magnificent structure opened by the Union Trust Company on May 2.

In rare effectiveness of design, completeness of its most modern equipment, and the convenience and elegance of its facilities for the banking and business public, this banking house will compare favorably with any other throughout New England.

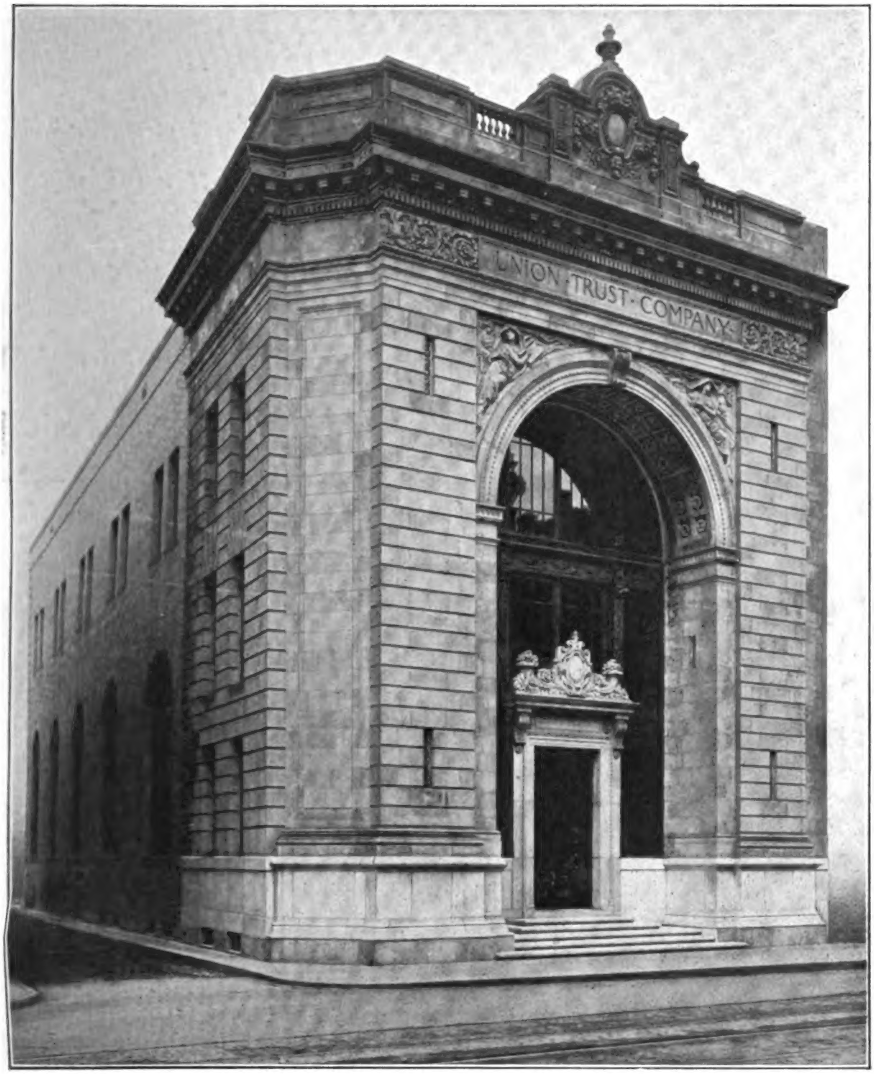
Owing to the massive and unique design of the front of the building, towering some 70 feet in the air with its great arch and ornamental carvings, the building does not at first sight furnish a true appreciation of its real size and of the amount of room which it provides. It really covers a space 53 by 142 feet and it is so designed that there is not a dark room in it. The front arch, which is 21 feet wide and 44 feet high, provides not only for the great mahogany outer and inner doors but above them a great expanse of ornamental window space which floods the interior with light from the west. Above the arch on either side are carved female figures, recumbent, the work of John Evans of Boston, and over these the work is carried up with carved stone and ornamental cornice, so that the whole is an artistically conceived and perfectly executed work of art in white sandstone.

Main Banking Room.

Undoubtedly the highest achievement in wood work is plain massive mahogany and so far as the wood work of the interior

goes, there is nothing else; and yet the massiveness of the mahogany is not so conspicuous as the obtrusive massiveness of the marble and more than this the vastness of the whole interior. This interior seems at first sight to be opened up into a vast banking office flooded with light from the long circular skylight in the roof as one looks down it, it is a vision of marble, verde green grill work with the great steel covered vault rising like a building by itself in the rear.

There are no dark corners; the light falling on white marble floors and on white marble wainscoating and on lightly tinted walls is reflected and diffused everywhere. This vast room which is over 30 feet high practically runs the whole length of the building, or 140 feet. The smooth walls have at intervals plain pilasters with corinthian capitals, from which heavy plastered beams run over the ceiling to the arched skylight.



The New Banking House of the Union Trust Company, Springfield, Mass.

On the marble floor of the central corridor are but two pieces of furniture and yet they are perhaps the choicest, being designed especially for the bank. They are unique works of art in mahogany with

Main Banking Room.

Safe Deposit Vault.

UNION TRUST COMPANY, SPRINGFIELD, MASS.

beautifully finished tops and in the center of each are glass frames for checks, etc., for the customers of the bank.

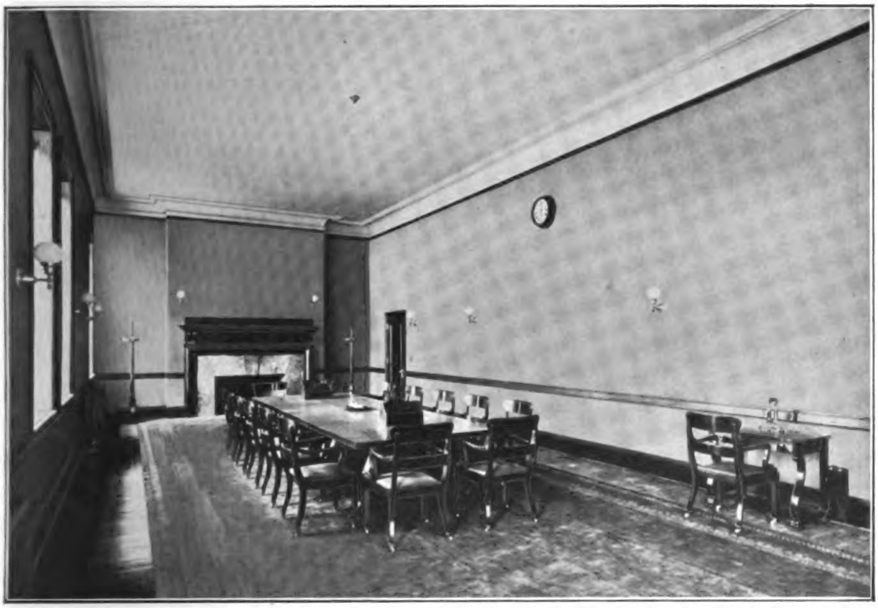
Clerk's Quarters.

Above the counters stretches the heavy grill work of verde green metal with eleven wickets, four for the paying tellers on one side, four for receiving tellers on the other, and other wickets for discounts, collections, foreign exchange and so forth. Behind each wicket is a space enclosed by the metal grill work so that each clerk has a roomy enclosure of his own, provided with the latest things in cabinets, all in mahogany. In one of these is set under the counter a small steel safe into which books or papers which happen to be left out after the great vault is closed may be placed. Behind these enclosures on either side and next to the walls is a line of mahogany desks for clerks and stenographers with various cabinets and other furnishings for a complete banking house, all new and all in mahogany and all of the same plain and choice design.

There is a special wicket for the ladies. They do not have to leave their elegant quarters. On the other side are the rooms of the officers of the bank and these are shut off by heavy mahogany doors from the main banking room and have a plain mahogany wainscoating as high as the doors, while the furniture is all mahogany. Here as elsewhere heavy rugs cover the marble floors.

Mezzanine Gallery.

Running across the front of the inside of the main banking room is a mezzanine gallery which is reached from the stairs on the southwest corner or by the elevator there and from which gallery one may look down on the main floor of the bank. This gallery is lighted from the large windows over the front doors. On the northwest corner occupying space corresponding to the stairways and elevator on the other side is a ladies' waiting room. Thus the facilities for the ladies do not end with the elegant business room on the main floor. They have only to get into the elevator and cross the mezzanine gallery to enter a large parlor, lighted by two high windows on the north, dressed with heavy velvet hangings with a gilt fringed edge. On the floor is a beautiful rug, a mahogany table of fine design and dainty chairs and a sofa. Off from it, also with an outside window, is a toilet room.



Directors' Room, Union Trust Company.

Rooms on Third Floor.

Two long galleries running along on either side of the great arched skylight which admits light to the main room, constitute the third floor.

On the north side is a series of rooms which is unique in the banking facilities of the city. First there is a large room with a long mahogany table in the center, and the floor, which on this story is of oak, is covered with an immense rug. This is twice the size of the directors' rooms in most

banks but it is not the directors' room. It is a room for the public, which any one can have for a meeting of business associates, directors of corporations or anything else. But this is only one of a series, the others being smaller. There are four others, each with its mahogany table in the center, each with its rug, each with its outside window. These are for the public also.

The directors' room on the rear may be entered from either gallery on this floor and is tastefully furnished with rugs, mahogany table and chairs and marble fireplace.

THE BANK VAULT.

One of the most notable features of the Union Trust Company's plant is the enormous vault which was built for them by the Remington and Sherman Co. of New York, at a cost of $50,000.

It measures on the outside 27x23 feet and rises 12 feet above the main floor.

The walls, which are about two feet in thickness, are of steel plates and concrete. They are entered by two sets of doors at the front and two at the rear and are encircled by wires of the burglar alarm system.

Inside the vault there are the safe deposit boxes for renting to customers, also compartments for the bank's cash and collateral.

The official board of the bank is a very strong one. It combines men of large business experience and wide connections, and some all around business and professional men.

Charles W. Bosworth is president; J. W. Kirkham, vice-president; William E. Gilbert, vice-president and treasurer; Charles H. Churchill, secretary; William H. Haskins, assistant treasurer.

OFFICERS AND STAFF.

The staff of the Union Trust Company, when they opened up their new building May 2, was made up as follows: Paying department, Frank S. Burt, assisted by Ralph Rathbun; receiving department, Nelson E. Elmer, F. W. Ferry, Douglas Wesson; discount department, Fred L. Safford, assisted by Benjamin L. Bragg; foreign exchange and collection department, Benjamin L. Bragg, Jr.; bookkeeping department, Raymond Burt, Harris Caldwell, W. M. Willard, Frank Hughes, Miss Hitchcock; check teller, Edwin Rice and Frank Crowther, assistant; stenographers, Miss Leona S. Knaggs and Miss Naomi Reed; clerk, Harry Thomas; telephone operator Miss Minerva Demond. Dustin A. Folsom will be the manager in charge of the post office branch, assisted by H. R. Bridgman as teller.

NEW CASHIER UNION NATIONAL BANK OF PHILADELPHIA.

ON June 6, Louis N. Spielberger, a popular bank-man of Philadelphia, was elected cashier of the Union National Bank of that city, when the Union National purchased the assets and business of the Consolidation National Bank.

Mr. Spielberger has spent his entire life in the Quaker City and up to the present time has been connected with several banks there in various capacities.

After a thorough education in the common schools and a course in a business college he entered the employ of the Union National Bank, February 27, 1882.

On October 1, 1886, shortly after the organization of the Independence National Bank by Peter A. Keller, formerly cashier of the Union National, Mr. Spielberger entered its employ as a bookkeeper, and on August 27, 1900, was elected assistant to the cashier, with authority to perform all the duties of the cashier until October 1, 1900, when elected assistant-cashier.

On May 6, 1901, he entered the Girard National Bank, when the Independence National was merged into the former and was manager of the collateral loan department until June 2, 1902, at which time he became assistant cashier of the Consolidation National Bank, and later on January 16, 1903, its cashier.

Upon the absorption of the Consolidation National by the Union National, already mentioned, Mr. Spielberger returned to the bank originally entered, after an absence of over twenty-one years.

BANKERS' CONVENTIONS.

THE American Bankers' Association has fitted up its offices at 11 Pine street, New York city, for the accommodation and comfort of its members, and they are urged to call and make use of them when in New York.

STATE BANKERS' CONVENTIONS IN 1908.

Date.	State or Name.	Place.	Secretary.	Address.
July 23-24	Colorado	Colorado Springs	A. A. Reed	Boulder
Sept. 23-24-25	Maryland	Baltimore	Charles Hann	Baltimore
July 23-24	Minnesota	Duluth	E. C. Brown	Minneapolis
July 27-28	Montana	Billings	Frank Bogart	Helena
July 16-17	North Dakota	Bismarck	W. C. Macfadden	Fargo
July 23-24-25	American Institute of Banking	Providence	G. E. Allen	New York
Week of Sept. 27.	American Bankers' Association	Denver	Fred E. Farnsworth	New York

MONEY, TRADE AND INVESTMENTS

NEW YORK, July 2, 1908.

POLITICS exercised some influence over finance last month and is partly accountable for the inactivity in Stock Exchange circles which prevailed. Measured by the volume of sales the stock market in June was the dullest since 1904. There were only about 9,500,000 shares of stocks sold in June as compared with about 21,000,000 shares in May, 11,000,000 shares in April, 16,000,000 shares in March, 10,000,000 shares in February and 16,000,000 shares in January.

There were days in June when the total sales of stocks were less than 150,000 shares. Compare this with the 2,000,000 and 3,000,000 share days of a few years ago, when conditions were supposed to be normal, and the situation must be admitted to have been wonderfully changed. It is not surprising under the circumstances that a seat at the New York Stock Exchange sold last month at $70,000, a decline of $2,000 from the last previous sale. In 1905 a seat was sold at $95,000 and in the following year $100,000 was offered with no sale reported. The panic last Autumn caused a decline to $51,000, but $72,000 was paid since.

A "Roosevelt scare" seemed to hang over the stock market almost until the close of the convention at Chicago which on June 18 nominated William H Taft for President. Reports were diligently circulated that there would be a stampede at the last minute and Theodore Roosevelt would be named again. Even the drafting of the platform was credited to the present occupant of the White House and thus made a bogy to frighten Wall Street. After the convention had adjourned and everything that could be done was done, the market failed to show any improvement. With another national convention to be held early in July to nominate a candidate in opposition to Mr. Taft, it is not surprising that a recovery, if there is to be one, should be delayed. The prospect is that William J. Bryan will for the third time be the nominee of his party. The Wall Street view is that in this case the result will be a foregone conclusion, and business generally ought to be little affected by politics this year.

Aside from the political influence there were a number of events and conditions to disturb confidence, or at least to develop caution. That general business is not in the full tide of prosperity is evident from the diminished volume of bank clearings as well as to the falling off in our foreign trade which is now shown in both imports and exports.

At the beginning of the month steel manufacturers cut the price of steel bars $4 a ton. Their action had the greater significance because of the stand which the United States Steel Corporation had previously taken in favor of maintaining prices. The production of iron has again declined, the total for May being 1,163,997 tons as compared with 1,149,602 tons for April with one working day less. The weekly capacity of the furnaces in blast on June 1 was only 260,584 tons as compared with 268,674 tons on May 1. A year ago the capacity was 523,220 tons. On June 9 prices on all finished steel products except rails were cut.

The effect of bad times upon the railroads was shown last month by a series of decreases in dividend payments. The Missouri Pacific passed its semi-annual dividend of 2 1-2 per cent. The Texas Central passed the annual dividend on its common stock. It had been paying 5 per cent. The Louisville & Nashville reduced its semiannual dividend from 3 to 2 1-2 per cent. The Lake Erie & Western passed its semiannual dividend, formerly 1 1-2 per cent., on the preferred stock. The Cleveland, Cincinnati, Chicago and St. Louis passed its semi-annual dividend. From 1902 to 1907 it paid 4 per cent. annually. The Mobile & Ohio reduced its dividend from 2 1-2 to 1 1-2 per cent. semi-annually and the Pennsylvania Company made its June 30 dividend 3 per cent. as compared with 4 per cent. last December.

This is not an encouraging array for the investor, yet railroad men of authority speak with hope regarding the future. It is considered that the depression which has followed the panic is only temporary, although probably unparalleled in the wide spreading results.

The railroads have suffered a very serious loss in earnings in the last six months and when the returns for the fiscal year ended June 30 come in there will be shown a de-

crease both in gross and net earnings almost beyond precedent. An approximate estimate makes the decrease in gross earnings as compared with the previous year $108,000,000, or 4 per cent., and in net earnings $121,000,000, or 15 per cent. Such a showing would make the ratio of operating expenses to gross earnings over 70 per cent. In 1899 the ratio was only a little more than 60 per cent.

That railroad traffic has begun to increase is evidenced by the needs of idle cars. Since last October until April 19 last there was a constant increase in the number of cars not in use. On the latter date 413,338 idle cars were reported. The number was reduced to 404,375 on May 13, to 381,779 on May 27 and to 349,994 on June 10. In less than two months the number has been reduced 63,344.

More favorable reports have also been received regarding the employmnt of labor. June 1 was called "Re-employment day" and many men were put to work in various sections of the country. In St. Louis 15,000 men were given employment. The Illinois Central Railroad put back to work 5500 men who had been idle eight months.

The future prosperity of the country will depend in no little degree upon the crops that are soon to be harvested. There is much encouragement in the reports so far given by the Government. The total wheat crop is estimated at 100,000,000 bushels more than the 1907 yield, the oats crop 340,000,000 bushels more, rye 2,000,000 bushels more and barley 34,000,000 bushels more. The wheat crop promises to be within about 11,000,000 bushels of the banner crop of 1901, which aggregated 748,000,000 bushels.

The money situation continues to grow easier. Call money in New York touched 1 per cent. on June 23 and is still quoted as low as 1 1-2 per cent. The New York banks have accumulated a surplus reserve of $66,-000,000, the largest ever reported, except in 1894.

An almost complete reversal of conditions as compared with the previous year is shown by the United States Treasury for the fiscal year just ended. The receipts during the twelve months ended June 30 were only about $22,000,000 larger than the expenditures of the previous year, while the disbursements were within $6,000,000 of the receipts of the year ended June 30, 1907. The result is a deficit of $60,000,000 as compared with a surplus of $87,000,000 a year ago.

For the last four years the Government has reported separately the disbursements for public works which were formerly included in "civil and miscellaneous" or "war" expenditures. We show the itemized expenses for each of the four years in the table herewith:

Expenditures.	1905.	1906.	1907.	1908.
Civil and miscellaneous.....	$126,336,545	$120,924,439	$124,117,119	$146,898,930
War	99,616,315	93,659,462	101,671,881	110,284,864
Navy	117,334,003	110,956,167	97,606,595	118,726,347
Indians	14,246,568	12,746,511	15,140,292	14,550,759
Pensions	141,770,955	141,034,081	139,290,910	153,887,995
Public works	43,516,201	65,096,578	76,051,271	93,778,239
Interest	24,591,024	24,310,326	24,482,524	21,424,990
Total	$567,411,611	$568,727,564	$578,360,592	$659,552,124
Receipts	$543,423,859	$594,914,714	$665,306,134	$599,895,763

Compared with 1905 the total expenditures have increased $92,000,000, of which $20,500,000 is in civil and miscellaneous, $10,600,000 in war, $1,300,000 in navy and $50,000,000 in public works. While expenditures have been increasing revenues also increased until the year just ended. The receipts were $65,000,000 less than in 1907 and only about $5,000,000 more than in 1906. With increasing expenses and decreasing receipts, the showing for the year 1907-08 is the worst in many years.

With a presidential campaign impending inquiry as to the growth of public expenditures during different presidential terms suggests itself. A growing country may be expected to show an increase in cost of Government, yet it will be a surprise to find that the expenditures in the last year, exclusive of interest, were larger than in any previous year since the Civil War and larger even than when the Spanish War was calling for extraordinary disbursements. In the accompanying table are shown the highest and lowest annual expenditures, exclusive of interest, during each of the last ten presidential terms.

Each term is taken to extend to June 30 following the termination of incumbency, and excludes the first four months of the four-year period. It will be seen that during the three terms of Grant and Hayes the expenses never went up to $200,000,000 in a single year and in 1878 fell to $134,000,-000.

Under Arthur and Cleveland—first term —the annual expenditure never went as high

as $241,000,000, while under Harrison the lowest was $261,000,000 and the highest $356,000,000. Cleveland in the second term kept the maximum expenditure down to $339,000,000, but the lowest was above $316,000,000. The Spanish War raised the maximum under McKinley to $565,000,000, but the lowest in his term was $405,000,000. The high record was nearly reached under Roosevelt in his first term and has been exceeded by $80,000,000 in his second term, of which a year still remains. It is claimed by the Secretary of the Treasury that the unfortunate showing made for the fiscal year just closed is due to an antequated system of bookkeeping, and that expenditures are charged under the head of "ordinary" which should not be so considered, as for instance expenditures on the Panama Canal and the erection of public buildings.

It is only right that due allowance should be made for that class of disbursements which in the case of individuals or private corporations would be charged against capital account instead of into income account, but after making such allowance it will be evident that the Government is increasing its running expenses very rapidly.

The statement of the Comptroller of the Currency showing the condition of the national banks of the United States on May 14, 1908, makes an encouraging exhibit. All the principal items outside of Government deposits and circulation show an increase as compared with February 14, 1908, the date of the last previous statement. The figures will be studied for their significance as to the change that has taken place in the business situation. The increase in loans since February 14 is nearly $106,000,000, the largest recorded for any statement period—the statements are issued five times a year and cover irregular periods—since the statement for March 14, 1905. The increase is not so large by $57,000,000 as the decrease between December 3, 1907, and February 14, 1908, and the loans are still $150,000,000 less than they were on August 22, 1907, and $7,000,000 less than on March 22 last year.

It would be necessary to go back to November, 1904, to find as large an increase in deposits as that now reported for the period under review. The increase exceeded $206,000,000, or within about $7,000,000 of the total decrease reported between August 22, 1907, and February 14, 1908. Deposits are now within about $10,000,000 of the highest record which was made on May 20, 1907.

A comparative table herewith shows the changes in loans and deposits as reported in each statement to the Comptroller of the Currency since April 6, 1906.

Until the panic of last year the loans increased continuously for a long time. Between January 29, 1906, and August 22,

	Year.	Largest Amount.	Year.	Smallest Amount.
Grant, 1st term	1873	$180,488,637	1872	$153,201,856
Grant, 2d term	1874	194,118,985	1877	144,209,963
Hayes	1881	177,142,897	1878	134,463,452
Arthur	1885	208,840,678	1882	186,904,232
Cleveland, 1st term	1889	240,995,131	1886	191,902,992
Harrison	1893	356,213,562	1890	261,637,202
Cleveland, 2d term	1894	339,683,874	1896	316,794,417
McKinley	1899	565,175,255	1898	405,783,526
Roosevelt, 1st term	1904	557,755,831	1902	442,082,812
Roosevelt, 2d term	1908	638,127,134	1906	544,476,223

	Loans. Amount.	Loans. Changes since previous report.		Individual deposits. Amount.	Individual deposits. Changes since previous report.	
April 6, 1906...	$4,141,176,698	Increase	$70,135,534	$3,978,467,885	Decrease	$109,952,249
June 18, 1906...	4,206,890,078	Increase	65,713,379	4,055,873,636	Increase	74,405,750
Sept. 4, 1906...	4,298,983,316	Increase	92,093,237	4,199,938,310	Increase	144,064,673
Nov. 12, 1906...	4,366,045,295	Increase	67,061,979	4,289,773,899	Increase	89,835,588
Jan. 26, 1907...	4,463,267,629	Increase	97,222,333	4,115,650,294	Decrease	174,123,605
Mar. 22, 1907...	4,535,844,098	Increase	72,576,468	4,269,511,629	Increase	153,861,334
May 20, 1907...	4,631,143,691	Increase	95,299,593	4,322,880,141	Increase	53,368,512
Aug. 22, 1907...	4,678,583,968	Increase	47,440,277	4,319,035,402	Decrease	3,844,738
Dec. 3, 1907...	4,585,337,094	Decrease	93,246,874	4,176,873,717	Decrease	142,161,685
Feb. 14, 1908...	4,422,353,647	Decrease	162,983,446	4,105,814,418	Decrease	71,059,299
May 14, 1908...	4,528,346,875	Increase	105,993,227	4,312,656,789	Increase	206,842,371

1907, loans increased over $600,000,000. During the same time deposits increased only about $230,000,000. Now, however, deposits are increasing more rapidly than loans, a fact which is of some significance so far as it indicates a decline in business activities.

It has frequently occurred in times of financial distress that the most serious drain upon bank resources has been through the withdrawal by banks of funds on deposit with depositary institutions. A partial investigation on this point as to the panic period of last year is afforded in the accompanying table:

Due to	May 20,'07.	Aug.22, '07.	Dec. 3, '07	Feb. 14, '08.	May 14,'08.
Other National Banks..	$875,767,698	$823,680,087	$708,919,278	$807,361,613	$837,330,002
State Banks and Bankers	397,038,415	395,745,495	318,969,687	364,501,816	371,549,629
Trust Cos. and Sav. Bks.	372,404,269	337,927,872	323,321,475	379,277,946	447,651,904
Approved Reserve Agents	40,329,666	38,139,919	36,675,751	33,285,361	35,890,169
Total due banks........	$1,685,540,048	$1,595,493,373	$1,387,886,191	$1,584,426,736	$1,692,421,704
Individual deposits	$4,322,880,141	$4,319,035,402	$4,176,873,717	$4,105,814,418	$4,312,656,789

Between May 20 and August 22, 1907, while individual deposits were reduced $3,844,738, the amount due banks, trust companies and savings banks declined $90,046,674. Between August 22 and December 3, individual deposits fell off $142,161,685 and bank deposits $207,607,182. The extreme loss in individual deposits from May to December was $146,000,000, while against this the amount due banks, bankers, etc., was reduced over $297,000,000. The reduction in amount due other national banks was about 20 per cent. and the same is true as regards state banks and bankers. The amount due trust companies and savings banks was reduced 13 per cent., and individual deposits less than 3 1-2 per cent.

It is also of some interest to note that the specie holdings of the national banks increased $62,000,000 since February, which makes the total $67,000,000 more than on December 3, 1907, and $146,000,000 more than on May 20, 1907, before the panic occurred. Legal-tender holdings increased $10,000,000 since February and $23,000,000 since May last year.

The clearing-house certificates used in the panic have practically been retired. In the resources there appears only $1,265,821 as compared with $64,344,128 on December 3 last. In the liabilities the amount is cut down from $74,461,026 on December 3 to $108,368 on May 14.

The Money Market.—The local money market continues to be easy, even the usual stiffening of rates prior to July 1 not occurring this year. Call money was as low as 1 per cent. while time money is in little demand. Even the supply of commercial paper is limited. At the close of the month call money ruled at 1¼@2 per cent., with the majority of loans at 1½ per cent. Banks and trust companies loaned at 1 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 1½ per cent. for 30 days, 1¾@2 per cent. for sixty days, 2@2¼ per cent. for four months, 3@3⅛ per cent. for five months, 3½ per cent. for six months and 3¾@4 per cent. for seven months on good mixed collateral. For commercial paper the rates are 3½ per cent. for sixty to ninety days' endorsed bills receivable, 4½ per cent. for first-class four to six months' single names, and 4½@5 per cent. for good paper having the same length of time to run.

New York Banks.—The feature of the bank statement to command the most attention is the increase in the surplus reserves to over $66,000,000 last month. It is necessary to go back to 1894 to find any parallel for these figures. That was a period when bad times caused a piling up of money in

Money Rates in New York City.

	Feb. 1.	Mar. 1.	April 1.	May 1.	June 1.	July 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances....................	1½–2	1½–2	1½–2	1¾–2	1½–¾	1¼–2
Call loans, banks and trust companies.........	1½–	1½–2	1¼–½	1¾–	1½–	1 –
Brokers' loans on collateral, 30 to 60 days......	3 –½	4 –	3 –	2¼ ½	2½–	1½–2
Brokers' loans on collateral, 90 days to 4 months..	3 –½	4 –¼	3¼–4	2½–3¼	2¾–3¼	2 –2¾
Brokers' loans on collateral, 5 to 7 months...	4½–	4½–¾	4 –	3½–¾	3½–4½	3¼–4
Commercial paper, endorsed bills receivable, 60 to 90 days................................	5½–6	4½–5	5 –¼	4 –½	3¼–4	3½–
Commercial paper, prime single names, 4 to 6 months	5½–6	5 –½	5½–	4 –½	4 –½	4½–
Commercial paper, good single names, 4 to 6 months.........	6 –½	5½–6	—	4½–5		4½–5

the banks and the surplus reserve on February 3, 1894, reached $111,623,000. For months the surplus kept increasing, but that has not been the case since the panic of last year. The first statement of this year showed a deficit of $11,000,000 on January 4. By February 1 there was a surplus of $40,000,000. The next week it fell to below $30,000,000 then increased almost continuously until May 16, when it was over $64,000,000. On June 6 it fell to $47,000,000 and in the following three weeks increased $19,000,000. Loans and deposits both reached the highest point on June 20. Loans increased net for the month $16,000,000 and deposits $34,000,000.

New York Clearing House Banks—Average Condition at Close of Each Week.

Dates.	*Loans.*	*Specie.*	*Legal tenders.*	*Net Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
May 29...	$1,215,118,500	$298,729,800	$70,627,400	$1,285,788,800	$47,910,000	$57,150,400	$1,281,153,500
June 6...	1,211,601,900	295,945,300	71,872,000	1,282,500,400	47,192,200	56,830,800	1,726,218,500
" 13...	1,213,866,600	301,467,500	74,237,000	1,289,256,400	53,391,300	56,631,400	1,158,854,100
" 20...	1,239,922,100	312,117,300	76,909,200	1,321,258,500	58,711 875	57,615,700	1,247,580,600
" 27...	1,231,220,800	316,670,200	79,472,700	1,320,176,400	66,098,800	56,809,200	1,164,260,274

New York Clearing House Banks—Actual Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Reserve Held.*
May 29	$1,218,677,900	$296,382,700	$72,206,300	$1,290,304,200	$368,589,000
June 6.............	1,211,015,200	297,220,500	73,085,400	1,284,120,700	370,305,900
" 13............ .	1,219,468,300	305,413,900	75,598,500	1,297,360,500	381,012,400
" 20.............	1,242,809,200	314,197,500	78,910,300	1,327,336,400	393,107,800
" 27........... ...	1,223,061,500	316,758,400	79,721,800	1,312,988,700	393,480,200

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Gross Deposits.*	*Reserve on Deposits*
May 29........	$866,760,000	$52,306,800	$12,077,200	$722,442,700	$921,000,600	$301,687,800
June 6........	881,218,500	55,725,600	12,171,300	742,324,600	941,845,700	306,442,200
" 13........	892,550,200	59,729,300	12,437,500	757,621,100	950,664,400	304,162,500
" 20........	896,451,300	61,008,200	12 184,000	762,401,400	959,087,200	308,113,300
" 27........	905,177,800	63,506,700	12,735,000	776,249,100	974,765,900	312,367,600

State Banks—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
May 29..............	$266,805 500	$59,671,900	$20,182,200	$318,961,400	$98,070,400
June 6..............	267,089,300	56,267,100	20,159,600	317,017,700	95,174,600
" 13..............	267,359,500	55,540,700	20,866,200	320,135,000	95,930,300
" 20..............	267,218,800	58,592,900	18,027,300	322,522,200	96,887,100
" 27..............	268,426,200	59,134,000	21,717,700	324,556,800	101,286,900

Trust Companies—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
May 29..............	$787,166,200	$48,036,800	$5,854,700	$827,773,200	$276,125,600
June 6..............	800,932,300	51,788,300	5,829,100	847,508,100	280,945,200
" 13..............	812,704,000	55,579 900	5,907,700	853,651,800	277,552,100
" 20..............	816,929,200	54,363,100	5,756,100	862,789,700	280,423,200
" 27..............	824,253,000	53,909,300	5,895,200	877,011,200	284,271,800

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	39,788,525
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	1,320,176,400	66,098,800
August	1,060,116,900	18,892,475	1,099,302,400	7,478,200	....	....
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,321,258,500, on June 20, 1908; loans, $1,239,922,100 on June 20, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
May 29	$85,993,900	$100,275,900	$5,274,500	$6,784,900	$14,529,000	$4,407,300	$5,926,725
June 6	86,369,200	101,104,700	5,100,900	6,863,200	13,748,700	4,553,500	4,990,125
" 13	86,262,600	102,713,800	5,382,400	7,076,000	15,481,600	4,128,000	6,389,550
" 20	86,364,000	103,993,800	5,737,800	7,177,000	16,090,600	4,177,900	7,184,850
" 27	86,482,400	103,356,200	5,965,300	7,324,800	14,956,000	4,000,700	6,407,750

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
May 29	$189,469,000	$225,134,000	$21,465,000	$2,873,000	$10,561,000	$112,251,800
June 6	191,823,000	227,368,000	21,201,000	2,878,000	10,568,000	157,742,400
" 13	191,325,000	229,434,000	22,377,000	3,096,000	10,582,000	132,629,700
" 20	190,329,000	231,603,000	23,723,000	3,130,000	10,548,000	121,437,100
" 27	189,587,000	227,840,000	24,096,000	3,175,000	10,501,000	115,279,908

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
May 29	$225,331,000	$264,145,000	$71,374,000	$17,132,000	$88,554,000
June 6	226,837,000	268,596,000	73,507,000	17,020,000	134,756,400
" 13	227,027,000	268,450,000	73,613,000	16,601,000	103,357,100
" 20	228,924,000	271,516,000	75,236,000	16,398,000	108,010,000
" 27	230,476,000	272,666,000	74,270,000	16,248,000	104,056,500

Foreign Banks.—More than $50,000,000 of gold went into the principal European banks last month. The Bank of England gained $9,000,000, the Bank of France $23,000,000, the Bank of Germany $18,000,000, and the Bank of Russia $2,000,000. The Bank of France has nearly $80,000,000 more gold than it had a year ago.

Foreign Exchange.—Sterling exchange has been irregular and late in the month was quiet without any special feature. Rates generally are lower than they were a month ago.

Money Rates Abroad.—Rates for money in the foreign markets have declined, but the Imperial Bank of Germany was the only European bank to reduce its posted rate of discount. On June 3 the rate was reduced from 5 to 4½ per cent. and on June 17 to 4 per cent. On June 25 the Bank of Bombay reduced its rate from 7 to 6 per cent. and the Bank of Bengal from

Gold and Silver in the European Banks.

	May 1, 1908.		June 1, 1908.		July 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£37,350,440	....	£37,674,499	....	£39,404,613	....
France	113,865,854	£36,211,550	121,318,439	£36,684,171	126,055,687	£37,843,901
Germany	34,501,000	14,300,000	36,370,000	15,073,000	40,058,000	16,601,000
Russia	112,107,000	6,956,000	111,400,000	7,566,000	111,827,000	7,651,000
Austria-Hungary	46,623,000	13,434,000	46,758,000	13,335,000	46,800,000	13,339,000
Spain	15,542,000	26,394,000	15,576,000	26,577,000	15,610,000	26,850,000
Italy	36,336,000	4,400,000	36,323,000	4,395,000	36,282,000	4,300,000
Netherlands	7,697,900	4,356,200	7,700,400	4,315,300	7,703,100	4,265,400
Nat. Belgium	4,081,333	2,040,667	4,171,333	2,085,667	4,150,667	2,075,333
Sweden	3,896,000	....	3,892,000	....	3,886,000	....
Switzerland	3,389,000	....	3,432,000	....	3,593,000	....
Norway	1,670,000	....	1,498,000	....	1,453,000	....
Totals	£417,059,027	£108,092,417	£426,108,671	£110,051,188	£436,773,067	£112,925,634

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
May 29	4.8555 @ 4.8565	4.8715 @ 4.8720	4.8740 @ 4.8750	4.84¼ @ 4.85⅝	4.84¼ @ 4.85⅝
June 6	4.8540 @ 4.8550	4.8690 @ 4.8695	4.8710 @ 4.8720	4.85⅛ @ 4.85¼	4.84¼ @ 4.85⅛
" 13	4.8530 @ 4.8540	4.8680 @ 4.8685	4.8705 @ 4.8710	4.84⅞ @ 4.85	4.84¼ @ 4.85
" 20	4.8550 @ 4.8560	4.8695 @ 4.8700	4.8710 @ 4.8725	4.85⅛ @ 4.85¼	4.84¼ @ 4.85⅛
" 27	4.8570 @ 4.8575	4.8695 @ 4.8700	4.8720 @ 4.8730	4.85⅝ @ 4.85⅛	4.84⅝ @ 4.85⅛

Foreign Exchange—Actual Rates on or About the First of Each Month.

	Mar. 1.	April 1.	May. 1.	June 1.	July 1.
Sterling Bankers—60 days	4.83⅝— ¾	4.84¼— ½	4.84⅛— ⅝	4.85⅛— ⅝	4.85⅛— ⅝
" " Sight	4.86⅝— ¾	4.86⅜— ½	4.87 — ⅛	4.87⅛— ¼	4.86⅞— 87
" " Cables	4.87⅛— ¼	4.86⅝— ¾	4.87¼— ⅜	4.87⅜— ½	4.87⅛— ¼
" Commercial long	4.83⅛— ¼	4.83 — ¾	4.84⅝— ¾	4.85¼— ⅜	4.85¼— ⅜
" Docu'tary for paym't	4.82⅝— 3⅝	4.83 — 4	4.83¾— —	4.84¼— 5⅛	4.84⅝— 5⅛
Paris—Cable transfers	5.16⅞—	5.16¼—15⅝	5.15 1/16— 15	5.13 1/16—15	3.15⅝— 1/32
" Bankers' 60 days	5.20 —19⅜	5.18¾—	5.18⅛—17½	5.17⅛—16⅞	5.16⅞—
" Bankers' sight	5.17⅛—16⅞	5.16⅞— ¼	5.15⅝— —	5.15⅝—	5.15⅝—
Swiss—Bankers' sight	5.18⅛—17½	5.16⅞—	5.16¼— —	5.16¼—	5.15⅝— 1/16
Berlin—Bankers' 60 days	94 5/16— 7/16	94½— ⅝	94¾— ⅞	94⅞—95	95 — 1/16
" Bankers' sight	95 — 1/16	95¼— 5/16	95 5/16— ⅜	95 7/16—	95½—
Amsterdam—Bankers' sight	40¼—	40 5/16—	40¼— 5/16	40¼— 5/16	40¼— 5/16
Kronors—Bankers' sight	26⅝— ¾	26⅝— ¾	26¾— ⅞	26 13/16— 15/16	26⅞—27
Italian lire—sight	5.16⅞—	5.16¼—15⅝	5.16¼—15⅝	5.15⅝— 1/16	5.14⅝— 13¾

6 to 5 per cent. Discounts of sixty to ninety-day bills in London at the close of the month were 1¼ per cent., against 1⅝ per cent. a month ago. The open market rate at Paris was 1¾ per cent. against 1⅞@2 per cent. a month ago, and at Berlin and Frankfort 3¼@3⅜ per cent., against 3¾ per cent. a month ago.

Bank of England Statement and London Markets.

	Mar. 31, 1908.	Apl. 30, 1908.	May 31, 1908.	June 30, 1908.
Circulation	£28,905,000	£28,646,000	£28,462,000	£28,892,000
Public deposits	15,600,000	9,992,000	10,426,000	10,170,000
Other deposits	43,464,000	43,132,000	42,812,000	46,167,000
Government securities	13,758,000	14,314,000	14,575,000	15,237,000
Other securities	35,439,000	29,480,000	28,826,000	30,023,000
Reserve of notes and coin	29,268,000	27,155,000	27,662,000	28,861,000
Coin and bullion	39,722,849	37,350,440	37,674,499	39,226,000
Reserve to liabilities	49.50%	51.06%	51.90%	51.17%
Bank rate of discount	3%	3%	2½%	2½%
Price of Consols (2½ per cents.)	87 9/16	86 7/16	87 5/16	87¾
Price of silver per ounce	25 9/16d.	24 5/16d.	24⅝d.	24¾d.

Silver.—The price of silver in London after declining to 24¼d. on June 2, advanced to 25⅜d. on June 23 and then declined to 24¾d., the closing price for the month. The net movement shows an advance of 5-16d. for the month.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.
January	30 1/4	29 13/16	32 7/16	31 1/4	26 3/4	25 1/8
February	30 13/16	30 1/8	32 1/8	31 1/8	26 9/16	25 1/8
March	30 7/16	29	32 1/16	30 5/8	25 13/16	25 7/16
April	30 3/16	29 5/8	30 1/8	30	25 1/8	24 9/16
May	31 3/8	30 9/16	31 1/8	29 13/16	24 13/16	24
June	31 1/16	29 5/8	31 1/16	30 5/8	25 3/8	24 1/4
July	30 7/16	29 13/16	31 15/16	31		
August	30 13/16	29 7/8	32 3/16	31 1/8		
September	31 3/4	30 13/16	31 9/16	31 1/8		
October	32 9/16	31 13/16	30 7/8	27 7/16		
November	33 1/8	32	27 13/16	26 9/16		
December	32 3/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York

	Bid.	Asked.
Sovereigns	$4.85	$4.88
Bank of England notes	4.86	4.90
Twenty francs	3.90	3.96
Twenty marks	4.75	4.80
Twenty-five pesetas	4.78	4.82
Spanish doubloons	15.50	15.65
Mexican doubloons	$15.50	$15.65
Mexican 20 pesos	19.50	19.65
Ten guilders	3.95	4.00
Mexican dollars	.46	.52
Peruvian soles	.38	.42
Chilian pesos	.38	.42

Bar silver in London on the first of this month was quoted at 24⅝d. per ounce. New York market for commercial silver bars, 53⅝ @ 55⅛c. Fine silver (Government assay), 53¾ @ 55¼c. The official price was 53⅝c.

Foreign Trade.—The decline which has occurred in the import trade of the country during the last six months has exerted a natural influence upon exports. The imports of merchandise in May were valued at only about $84,000,000, the smallest for that month in any year since 1904. Compared with 1907 there is a decrease of $42,000,000. Exports were valued at $113,000,000 the smallest also since 1904, and $21,000,000 less than in May 1907. The exports for the eleven months ended May 31 are only $2,000,000 more than for the same time last year and when the returns for June are in the total for the year will be less than for the previous year. The imports for the eleven months show a decrease of $219,000,000, so that the loss for the full fiscal year will probably approximate $240,000,000. There was a net loss of gold by export in May of $23,000,000, but for the eleven months ended May 31 there was a net import movement of $81,000,000.

National Bank Circulation.—For the first time in a long period there was a decrease in the amount of national bank notes outstanding last month. The decrease is only $115,600, although the circulation secured by Government bonds was reduced nearly $1,500,000. More than $75,000,000 of the total circulation is now represented by lawful money on deposit with the U. S. Treasurer to retire bank notes. There was a decrease of nearly $900,000 in Government bonds deposited to secure circulation.

Government Revenues and Disbursements.—The Government reports a surplus of nearly $4,000,000 for the month of June, a result obtained by the usual financial cleaning up which marks the last month

Exports and Imports of the United States.

Month of May.	Merchandise. Exports.	Merchandise. Imports.	Merchandise. Balance.	Gold Balance.	Silver Balance.
1903	$100,929,591	$79,035,137	Exp., $21,894,454	Exp. $13,025,423	Exp., $535,831
1904	89,886,925	80,698,161	" 9,188,764	" 32,596,471	" 3,114,658
1905	123,793,369	92,525,424	" 31,268,145	Imp., 2,175,573	" 1,684,477
1906	130,548,387	104,909,197	" 25,639,190	" 29,188,880	" 1,133,587
1907	134,759,568	126,512,106	" 8,247,462	Exp., 1,823,281	" 763,120
1908	113,397,223	84,231,443	" 29,165,780	" 23,486,511	" 666,156
Eleven Months.					
1903	$1,324,918,833	943,719,460	Exp., 381,199,373	Imp., 7,631,467	Exp., 20,581,163
1904	1,367,602,405	909,930,136	" 457,672,269	" 14,231,693	" 20,045,655
1905	1,397,408,180	1,027,065,826	" 370,342,354	Exp., 37,063,232	" 18,975,400
1906	1,618,830,517	1,125,782,375	" 493,048,142	Imp., 58,535,451	" 20,668,149
1907	1,743,111,448	1,321,911,210	" 421,200,238	" 84,817,871	" 11,908,346
1908	1,745,190,911	1,102,533,752	" 642,657,159	" 81,049,842	" 12,806,335

of the fiscal year. The full year, however, shows an excess of nearly $60,000,000 of expenditures compared with an excess of $87,000,000 receipts in the previous years. The total receipts were $65,000,000 less than in 1906-7 while expenditures increased $81,000,000. The loss in customs receipts alone was $47,000,000.

NATIONAL BANK CIRCULATION.

	Mar. 31, 1908.	*Apl. 30, 1908.*	*May 31, 1908.*	*June 30, 1908.*
Total amount outstanding	$696,407,355	$697,645,698	$698,449,517	$698,333,917
Circulation based on U. S. bonds	628,834,336	625,424,375	624,714,147	623,250,517
Circulation secured by lawful money	67,573,019	72,220,323	73,735,370	75,083,400
U. S. bonds to secure circulation:				
Four per cents. of 1925	16,253,750	15,470,750	15,082,250	14,824,250
Three per cents. of 1908-1918	9,377,120	9,265,700	9,463,440	9,752,440
Two per cents. of 1930	557,277,400	554,263,700	553,837,450	552,863,200
Panama Canal 2 per cents	85,327,800	85,652,780	86,511,520	86,520,740
Certificates of Indebtedness 3 per cent	16,253,750	14,186,500	14,186,500	14,186,500
Total	$632,422,570	$628,839,430	$629,031,160	$628,147,130

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents, of 1925, $8,626,950; 3 per cents. of 1908-1918, $8,296,200; 2 per cents. of 1930, $49,654,250; Panama Canal 2 per cents. $17,125,800; District of Columbia 3.65's, 1924, $2,621,000; Hawaiian Islands bonds, $2,004,000; Philippine loan, $8,972,000; state, city and railroad bonds, $88,389,220; Porto Rico, $770,000; certificates of indebtedness 3 per cent., $———; a total of $180,459,420.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*June, 1908.*	*Since July 1, 1907.*
Customs	$22,831,775	$285,680,653
Internal revenue	23,776,019	250,714,008
Miscellaneous	6,880,818	63,501,102
Total	$53,488,612	$599,895,763
Excess of receipts	$3,947,243	*$59,656,361

*Excess of expenditures.

EXPENDITURES.

Source.	*June, 1908.*	*Since July 1, 1907*
Civil and mis.	$12,122,162	$146,898,930
War	7,608,675	110,284,864
Navy	10,158,685	118,726,347
Indians	1,871,105	14,550,759
Pensions	11,488,457	153,887,995
Public works	6,630,238	93,778,239
Interest	167,047	21,424,990
Total	$49,541,369	$659,552,124

UNITED STATES PUBLIC DEBT.

	April 1, 1908.	*May 1, 1908.*	*June 1, 1908.*	*July 1, 1908.*
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	14,186,500	14,186,500	14,186,500	14,186,500
Total interest-bearing debt	$897,566,990	$897,503,990	$897,503,990	$897,503,990
Debt on which interest has ceased	4,675,215	4,500,695	4,291,305	4,180,015
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	66,553,189	71,162,425	71,879,462	72,459,284
Fractional currency	6,862,834	6,862,814	6,862,814	6,862,814
Total non-interest bearing debt	$420,150,321	$424,759,537	$425,476,575	$426,056,397
Total interest and non-interest debt	1,322,329,527	1,326,764,223	1,327,271,870	1,327,690,402
Certificates and notes offset by cash in the Treasury:				
Gold certificates	835,010,869	846,910,869	825,730,869	819,783,869
Silver certificates	453,048,000	463,778,000	474,054,000	474,350,000
Treasury notes of 1890	3,240,000	5,152,000	5,070,000	4,982,000
Total certificates and notes	$1,292,298,869	$1,315,840,869	$1,304,854,869	$1,299,115,869
Aggregate debt	2,614,628,396	2,642,605,092	2,632,126,739	2,626,806,271
Cash in the Treasury:				
Total cash assets	1,825,868,700	1,839,050,36	1,817,636,025	1,807,352,855
Demand liabilities	1,413,260,510	1,437,453,373	1,426,702,769	1,417,794,862
Balance	$412,608,190	$401,596,987	$390,933,255	$389,557,993
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	262,608,190	251,596,987	240,933,254	239,557,993
Total	$412,608,103	$401,596,987	$390,933,255	$389,557,993
Total debt, less cash in the Treasury	909,721,367	925,167,236	936,338,615	938,132,409

United States Public Debt.—There were no important changes in the public debt statement last month. The total debt less cash in the Treasury increased about $1,800,000, while the net cash balance was reduced about $1,400,000. The retirement of nearly $6,000,000 of gold certificates in June was the only other change that might attract notice. The gross assets were reduced $10,000 but the demand liabilities were also reduced $9,000,000.

Money in Circulation in the United States.—The volume of circulation increased $9,000,000 in June, gold coin decreasing $4,000,000 while gold certificates increased $4,700,000, silver certificates increased nearly $9,000,000, and United States notes $5,000,000 while national bank notes decreased $5,000,000.

Money in the United States Treasury.—The total money in the United States Treasury increased during the month $7,500,000 while outstanding certificates were increased $13,500,000, leaving a loss of $6,000,000 in net cash. The net silver dollars and certificates in the Treasury were reduced $7,000,000.

Supply of Money in the United States.—An increase of $3,000,000 in the total stock of money in the country is reported for the month of June. There was practically no increase in gold and a small reduction in national bank notes. The source of increase was fractional silver, of which $3,100,000 was coined in June.

Money in Circulation in the United States.

	April 1, 1908.	May 1, 1908.	June 1, 1908.	July 1, 1908.
Gold coin	$629,782,705	$628,168,888	$618,620,761	$614,553,628
Silver dollars	83,596,986	80,750,394	78,108,381	76,354,933
Subsidiary silver	126,034,150	124,541,160	121,882,852	122,912,990
Gold certificates	808,340,829	817,326,479	784,708,489	788,464,809
Silver certificates	438,181,217	446,257,981	456,668,484	465,581,977
Treasury notes, Act July 14, 1890	5,225,744	5,139,265	5,058,899	4,968,064
United States notes	333,518,809	336,231,579	335,192,274	340,189,838
National bank notes	655,825,794	647,878,855	687,452,199	682,481,580
Total	$3,080,450,734	$3,086,294,101	$3,036,182,289	$3,045,457,289
Population of United States	87,140,000	87,258,000	87,377,000	87,496,000
Circulation per capita	$35.35	$35.37	$34.75	$34.81

Money in the United States Treasury.

	April 1, 1908.	May 1, 1908.	June 1, 1908.	July. 1, 1908.
Gold coin and bullion	$1,012,832,909	$1,011,098,496	$997,898,172	$1,001,666,550
Silver dollars	484,652,996	487,499,588	490,146,651	491,895,049
Subsidiary silver	18,452,318	20,267,842	22,155,411	23,727,308
United States notes	13,167,707	10,449,437	11,488,742	6,491,178
National bank notes	40,581,561	49,767,348	60,997,318	65,902,387
Total	$1,569,687,486	$1,579,082,706	$1,582,181,294	$1,589,682,472
Certificates and Treasury notes, 1890, outstanding	1,251,747,790	1,268,723,725	1,245,430,872	1,259,014,370
Net cash in Treasury	$317,939,696	$310,358,981	$336,750,422	$330,668,102

Supply of Money in the United States.

	Mar. 1, 1908.	April 1, 1908.	May 1, 1908.	June 1, 1908.	July 1, 1908.
Gold coin and bullion	$1,635,848,474	$1,642,565,614	$1,639,267,384	$1,616,018,938	$1,616,220,178
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,249,982
Subsidiary silver	143,464,623	144,486,468	144,809,002	143,538,268	146,640,298
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	695,674,519	696,407,355	697,645,698	698,449,517	698,323,917
Total	$3,389,918,614	$3,398,390,430	$3,396,653,082	$3,372,982,711	$3,376,125,391

Established 1810

The Bank of Pittsburgh National Association

CAPITAL, $2,400,000 SURPLUS, $2,800,000

THIS bank was organized when Pittsburgh was a village of less than 5,000 inhabitants. It is the oldest Bank in the United States West of the Allegheny Mountains.

WITH resources of over $25,000,000.00 and equipped for all branches of modern banking, it invites conservatively managed banks to designate it as a reserve depository.

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JOSEPH R. PAULL, Vice-Pres.

J. M. RUSSELL, 1st Asst. Cashier

W. F. BICKEL, Cashier

J. D. AYRES, Asst. Cashier

Franklin National Bank

Capital,

$1,000,000

Surplus,

$2,000,000

President
J. R. McALLISTER

Vice-President
J. A. HARRIS, Jr.

Cashier
E. P. PASSMORE

Assistant Cashier
C. V. THACKARA

Assistant Cashier
L. H. SHRIGLEY

Foreign Ex. Dept.
WILLIAM WRIGHT
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Invites the Accounts of Banks, Bankers, Corporations, Mercantile Firms and Individuals

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BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—When the Williamsburg Trust Company of Brooklyn, closed since last October, opened on June 8, Gen. Brayton Ives, the new president, said:

We are open to do business on a business basis. There is not a trust company in the city to-day that has as much money behind it as the Williamsburg.

There was a big rush of depositors at the Bridge Plaza branch when the doors were opened, but there was no excitement and business was conducted as if the banking institution had never been closed.

At the other branches, there were long lines of depositors and the banking rooms were decorated with floral offerings sent by friends of the company.

Gen. Brayton Ives is the new president of the company; the first vice-president is Jacob C. Klinck and the secretary is S. H. Hurdman.

—Another Brooklyn bank, the Home Bank at Fifth avenue and Forty-eighth street, was re-opened June 11, having been closed since February 1.

William E. Kay, the new president and the other officers declared the first day's business was highly gratifying and the future success of the institution seemed assured.

New deposits came in steadily while only a few depositors availed themselves of the ten per cent. agreement.

—Lieut. J. Paul Caswell of Brooklyn, who figured several years ago in a romantic marriage with Miss Helen Chalkiadi of White Plains, is on his way from Manila to become assistant manager of the United States and Mexico Trust Company in Mexico in Mexico City. He has resigned as a member of the Philippine constabulary.

—At a meeting of the directors of the Corn Exchange Bank, held June 8, J. P. Dunning, manager of the Fifth avenue branch of the bank, was appointed vice-president.

—The Commercial Trust Company has moved into its new offices, which occupy the whole of the ground floor of the new building on Forty-first street, from Broadway to Seventh avenue. The rooms are light and airy, and are finished in white marble. A handsome bronze railing incloses the cages of the tellers and other officers. A room is provided for women clients.

In the gallery on the Seventh avenue side are situated the private offices of the president and the board room. The latter is a large, handsome room, paneled in mahogany, with a fine carved marble fireplace. The desks of the officers are arranged behind a marble barrier at the Broadway end of the building. Close by is the entrance to the safety deposit vaults, which will be ready for business in a fortnight.

The trust company was organized in November, 1906, and had its first office at Broadway and Thirty-seventh street. Its officers are: R. R. Moore, president; G. J. Baumann, vice-president, and Ames Higgins, secretary.

—A quarterly dividend of two and one-half per cent., which was payable July 1, has been declared by directors of the Coal and Iron National Bank. This is an increase of one per cent. on the quarterly rate and puts this stock on a ten per cent. basis. The Coal and Iron National Bank, organized a little over four years ago, has met with success from the start and earned last year in the neighborhood of twenty-five

per cent. on its capital shares. It has $500,000 capital, $500,000 surplus (of which $80,000 is earned) and about $200,000 undivided profits.

Since last October this bank has opened over seven hundred new mercantile accounts.

—The National City Bank will this year pay taxes on the old custom house property on a valuation of $4,000,000. The property was assessed at $5,500,000, but the bank had this amount reduced by $1,500,000. The bank has never taken title to the property nor paid taxes thereon since it purchased it from the Government nine years ago.

—Louis H. Halloway, formerly cashier of the Nineteenth Ward Bank and more recently the vice-president and manager of the Madison avenue branch of the Mechanics and Traders' Bank, has been elected a vice-president and director of the Hudson Trust Co.

—Stockholders of the Mechanics and Traders Bank, who are working on a deferred payment plan with the intention of re-opening the bank, have selected Edward M. Grout, formerly controller of the city, to be president.

The receivers now have in hand nearly $2,500,000 and have arranged to secure additional cash to insure its successful operation.

Eighty-two per cent. of the depositors have signed the agreement and an effort will be made to increase this number to ninety per cent. as required by the Superintendent of Banks.

—Heretofore the expenses involved in bank receiverships have been scandalously great, but the recent legislation has worked wonders. Under the new system the cost of the receivership of the Home Bank of Brooklyn, covering a period of forty-two days, was only $666.

—A particularly good feature of the June 17 statement of the Home Trust Company of New York is the item of surplus and undivided profits, which amounts to $285,172.10—practically equal to one-third of the company's capital stock of $750,000.

The entire statement is a very satisfactory one, showing the total resources of the company to be $2,576,332.42.

CHAS. W. RIECKS.

—Chas. W. Riecks, who is vice-president of the Liberty National Bank, is now filling the office of both vice-president and cashier.

—George N. Hartmann has been elected secretary of the Metropolitan Trust Co. to succeed Jacob C. Klinck, who was made first vice-president of the Williamsburgh Trust Co.

The Metropolitan Trust Co. has assets of $25,536,253; cash on hand and in banks, $4,434,103. Its capital is $2,000,000 and surplus, $7,000,000.

—At the George Washington University commencement held at Washington June 3, the degree of doctor of law was conferred on Willis S. Paine, president of the Consolidated National Bank of New York, in recognition of his several works on banking.

—William A. Law, vice-president of the Merchants' National Bank, has been appointed a member of the American Bankers' Association committtee to devise regulation looking to more strict supervision of commercial paper offered for discount.

—It is reported that the new Peoples' National Bank of Brooklyn will be established in the near future on Broadway between Gates avenue and Quincy street. The present tenants occupying two adjoining storerooms will vacate and the quarters will be remodeled into one large banking room suited to the bank's needs.

The organizers of the Peoples' National have received the hearty co-operation of Brooklyn business men in the Bushwick section, and as their's will be the only national bank within a radius of two miles, its future success seems assured.

—On June 15, the Lafayette Trust Co., formerly the Jenkins Trust Co. of Brooklyn, anticipated the payment of the third instalment of ten per cent. due depositors July 15.

—Charles A. Hana, receiver of the National Bank of North America, under a judgment given recently in the United States Circuit Court, recovers possession of 1000 shares of Chase National Bank stock which had been pledged by Charles W. Morse with the Metropolitan Trust Co. for a loan of $150,000. Mr. Hana contends that the loan was made originally in the interest of the bank, but Mr. Morse maintained on the stand that the stock belonged to him. The bank will now receive the stock upon the payment of face of the loan and interest and it will make about $80,000 thereby.

—In order to comply with the new law compelling them to hold ten per cent. cash reserve by July 1, the local trust companies have withdrawn fully $20,000,000 from the banks.

As the clearing-house banks last month held a cash reserve of $375,705,400, the high record, they were able to supply the trust companies with cash without disturbing the money market.

The terms of the new law call for fifteen per cent. cash reserve on all deposits held by a trust company, "exclusive of moneys held by it in trust, which are not made payable under the conditions of the trust within thirty days, and also exclusive of time deposits not payable within thirty days, represented by certificates showing the amount of the deposit, the date of issue, and the date when due, and also exclusive of deposits which are secured by outstanding unmatured bonds issued by the State of New York."

—At a meeting at the clearing-house June 12, the National Copper Bank, of which Charles H. Sabin is president and whose directorate includes a number of the prominent men connected with the Standard Oil Company and the Amalgamated Copper Company, was admitted to membership in the clearing-house association. The bank was organized a little over a year ago, and in that time has built up its business to the point where it has deposits amounting to more than $17,000,000.

The admission of the bank to the clearing-house brings the membership up to

forty-nine. Before the October panic last year, there were fifty-two members of the association.

A number of changes were made in the constitution of the clearing-house at the meeting, but as was explained by president Gilbert, they were without significance, being merely in effect a codification of the numerous amendments which have been made from time to time in the past.

—A new Stock Exchange firm which began business June 15, under the title of Jerome J. Danzig & Co., consists of Jerome J. Danzig and J. Ainslie Bear. The firm will occupy the fourth floor of 1 Nassau street, and will have a branch office at 529 Broadway under the management of Frank G. Smith. Mr. Danzig has been an active member of the Stock Exchange for nearly ten years.

—Depositors of the New Amsterdam Bank, one of the so-called Morse banks which went into the hands of a receiver, have received their first dividend of twenty-five per cent. Eventually the depositors will receive all their money.

—Rare United States pattern coins brought high prices at the second day's sale of the Gschwend coin collection, held by Thomas L. Elder at the Collectors' Club recently. Although struck in copper, instead of in the gold or silver of the regular coins made for circulation, these pieces brought sums far above their weight in gold.

A dollar in copper, dated 1836, showing a flying eagle on the reverse, engraved by Mint Engraver Gobrecht, but never issued for general use, was bid in for $37. Another of 1838, also in copper, with the engraver's name under the figure of Liberty, brought $40. Still another, dated 1839, showing twenty-six stars surrounding the flying eagle, brought $49. A set of six pattern trade dollars, dated 1873, sold for $20.

—The Chatham National Bank has purchased the building which it now occupies at Broadway and John street. This will give the bank a permanent location on the site which it has occupied since 1860.

The first site of the Chatham Bank, as it was then called, was in Chatham street, from which it derived its name. It was organized in 1851 as a state institution, and became nationalized in 1865. The bank has remained continuously in the hands of the same interests since George M. Hard became its president, forty-three years ago. Its present capital of $450,000 is the same as when the bank was started.

On July 1 the directors paid the regular quarterly dividend of 4 per cent., which is the 150th dividend paid since 1852.

—The loans of some of the great banks of the world at recent dates as compared with a year ago are as follows:

	1908	1907
New York	$1,213,866,600	$1,139,755,900
Germany	248,000,000	265,000,000
France	172,000,000	196,000,000
Austria	105,000,000	150,000,000
Belgium	117,000,000	124,000,000
Philadelphia	227,027,000	225,765,000

—Vice-President James G. Cannon, of the Fourth National Bank, has been elected president of Group 8 of the New York State Banking Association; B. H. Fancher, of the Fifth Avenue Bank, was elected secretary, and the following executive committee was elected: President, W. H. Porter, of the Chemical National Bank; vice-presidents, Horace M. Kilborn, of the National City Bank; H. P. Davison, of the First National; E. H. Ferry, of the Hanover National; Gates McGarrah, of the Mechanics' National; Albert H. Wiggin, of the Chase National, and Z. S. Freeman, of the Merchants' National.

—The Brooklyn Bank, after having been closed since the panic last fall, opened the doors of its two offices in Fulton street, Brooklyn, at noon, June 23. It re-opened under the most favorable circumstances, having been thoroughly reorganized in the meantime and put on a most substantial basis. The bank has $400,000 in cash over and above its deposits in its vaults sufficient to pay 95 per cent. of all its obligations, and has a capital and surplus of $715,000, instead of $300,000, as under the old regime. Daniel O. Underhill, formerly of the Fourth National Bank, is the new president, and the other officers and directors are: Nelson G. Ayres, vice-president and cashier; Willett G. Rendell, assistant cashier.

All of the old officers and directors sent in their resignations and these were accepted with the exception of that of Lud-

wig Nissen, who is retained in the new board. As far as possible the old clerical force has been retained. In the near future the bank will occupy the new triangular building at the corner of Fulton street and Flatbush avenue, which will become the main office.

Under the reorganization plan the bank will pay its depositors dollar for dollar and is prepared to pay off immediately any or all on demand. There are no deferred payments. Furthermore, it proposes to pay interest on all deposits, where an agreement existed, the same to cover the period of suspension. The officers of the bank are particularly proud of the fact that it is the only institution of those which closed their doors in the panic last fall that re-opened with an increased capital. In fact, it reopened with capital and surplus double the amount with which it closed. It has $1,800,000 cash on hand and in bank and $250,000 in gilt edged securities. The bank owes its depositors $1,500,000.

When the doors were thrown open there was no rush of depositors to withdraw their deposits; in fact, less than a score of persons were on hand, and in the first half hour the deposits were larger than the withdrawals.

There was great jubilation attending the re-opening. The main office, corner of Fulton and Clinton streets, was gorgeously decorated, the entire front of the building having been draped with American flags and emblems. Within there was a superb display of flowers which friends had sent with their best wishes, and scores of telegrams of congratulation poured in from all sides.

The Brooklyn Bank, which is the oldest bank in Brooklyn, was one of the institutions which William Gow proposed to merge, along with the Borough Bank, into the International Trust Company. It was considered one of the soundest and most conservative of the banking institutions in the borough. The bank has been closed since October 24.

—All the savings banks of New York city, with but one exception, allowed interest at the rate of four per cent. per annum on all amounts for this half-year which ended June 30. Six of them are banks which allowed three and one-half and four per cent. the previous half-year, one allowed three, three and one-half, and four per cent. and one three and one-half per cent. on all amounts. One bank will pay three and one-half per cent., as against four per cent. the previous half-year.

The savings banks of this city have gradually been working towards a general four per cent. interest allowance on deposits. The fact that this result has now been practically obtained speaks well for their business during the past six months, notwithstanding that during a part of that time savings banks were, to a certain extent, under the same ban of suspicion and distrust from which the general banking community suffered.

The advance in mortgage rates has contributed to their earnings this year and made possible the general four per cent. interest rate.

—Charles E. Dickinson, president of the Carnegie Trust Company, was entertained at dinner June 10 in the new Railroad Club, 30 Church street, by about one hundred of the employes and officers of the company and the Carnegie Safe Deposit Company.

The dinner was informal and largely in the nature of a celebration of the opening of the safe deposit company's new vaults in the Trinity building, 115 Broadway. But the employees also wanted to show their good feeling for their president.

Brief speeches were made by president Dickinson, Francis H. Kimball, the architect; toastmaster Robert L. Smith, Robert B. Moorehead, an officer of the trust company; vice-president Frederick H. Parker, and Robert L. Anderson of the trust company.

—Among the new directors chosen for the Carnegie Trust Co., are many prominent men from the interior, including Frederick Weyerhauser of St. Paul, the richest man in the Northwest; Solomon Wexler,

vice-president of the Whitney Central National Bank of New Orleans; George C. Smith of Pittsburg, John Sherwin, president of the First National Bank of Cleveland; Alexander McDonald, the Standard Oil man of Cincinnati; James W. Lusk, president of the National German-American Bank of St. Paul; David R. Francis of St. Louis, formerly Governor of Missouri, and Adolphus Busch of St. Louis.

Other new directors are Alden Anderson, Sacramento, Cal.; William J. Cummings, Nashville; Newman Erie, the well known railroad man; David Homer Bates of this city and Liston L. Lewis, J. J. Spaulding and John B. Stanchfield, lawyers, of this city. These retiring directors were re-elected: Anson W. Burchard, A. B. Chandler, James Ross Curran, Frank L. Grant, William P. Harding, William A. Keever, Frederick Lewisohn, Alton B. Parker, George E. Roberts, J. G. Robin, Jacob Ruppert, Jr., Charles M. Schwab, James Talcott and Edgar Van Etten.

—Arthur King Wood, who was formerly vice-president of the Van Norden Trust Company, has been elected president of the Franklin Trust Company of Brooklyn. He succeeds George H. Southard, who resigned recently on account of ill health.

—Since March 25, when fifty-eight state banks reported their condition in response to the State Superintendent's call, there has been an increase of $24,000,000 in deposits, while loans and discounts have increased $11,000,000. This interesting information appeared in the compilation made by the New York Clearing-House for the use of its members.

—The banking group, consisting of Kuhn, Loeb & Co., Speyer & Co., Ladenburg, Thalmann & Co. and Hallgarten & Co., in charge of the Mexican Railroad merger, has definitely closed a negotiation covering about $30,000,000 National Railways of Mexico four per cent. general mortgage bonds, guaranteed by the Mexican Government, with a group of leading French bankers.

Proceeds of the sale of the bonds are to be devoted to improvements and extension work on the two railroads which were consolidated under the control of the Mexican Government, the Mexican Central and the National Railroad of Mexico.

The readjustment managers of the great Mexican Railroad merger have received several assignments of the securities of the big railroads held by foreign investors who sent the bonds and stock on to New York, where the exchange of securities is now taking place.

—An excellent report was submitted by the Columbia Trust Company on June 17, the date of the last official call.

With a capital of $1,000,000, and resources of $9,378,052 behind it, this company by reason of the very excellent way in which it has been managed, now ranks among the foremost of the metropolis.

NEW ENGLAND STATES.

—Boston banks were closed on June 17 to commemorate "Bunker Hill Day." There was also no session of the stock exchange on that date.

—William S. B. Stevens has been chosen to succeed George H. Perkins, resigned, as cashier of the National Union Bank of Boston. Mr. Stevens had held the post of assistant cashier.

—As a result of the recent purchase of 600 shares, the control of the Medford National Bank of Boston has passed from president Charles H. Sawyer to new interests, who are represented by the law firm of Eaton & McKnight. A successor to Mr. Sawyer as president has not yet been selected.

Application for a charter to change the bank into a trust company will shortly be made to the secretary of state. Members of the Lawrence family of Medford are the largest stockholders. The bank was organized in 1900. The listed directors are: Charles H. Sawyer, William T. Martin, Louis H. Lovering, Austin L. Baker, John Coulson, Walter F. Cushing, Edwin L. McKnight.

—Earnings of the twenty-four Boston banks for the twelve months ended May 14 are estimated at $3,885,135, or 15.60 per cent. on the $24,900,000 combined capital stock. This compares with earnings of 17.9 per cent. for the twelve months ended Aug. 22, 1907.

—Charles P. Blinn, Jr., the assistant treasurer of the City Trust Co. of Boston, has been elected vice-president of the National Union Bank. He entered upon his active duties in his new position on July 1.

—W. F. Burdett has been appointed assistant cashier of the State National Bank of Boston.

—Governor Higgins of Rhode Island has appointed William P. Goodwin of Providence State Bank Commissioner, under the new banking act passed by the legislature creating the office and providing for such appointment. The act, in addition to providing for the general regulation of banks, also materially changes the law governing the investments of savings banks.

—The annual meeting of the Holyoke Mass.) Co-operative Bank on June 11, resulted in the re-election of the old board of officers. The report of the financial officers showed gratifying progress for the last fiscal year.

—Salem, Mass., can lay claim to the honor of having probably the youngest bank president in New England, and perhaps in the country. He is Eugene J. Fabens, president of the Naumkeag National Bank, and is only 23.

He was recently chosen to succeed Arthur W. West. President Fabens comes of a well known and prominent family of Salem. A representative of the family has been associated with the Naumkeag banking affairs since its organization.

Mr. Fabens, after leaving Stone's school in Boston, became a salesman on the road for a food company. He was associated with Lee, Higginson & Co. of Boston for some time. Although young in years Mr. Fabens has the confidence of the business men of Salem.

—On the evening of June 10, the first annual meeting of the Massachusetts Bankers Association ever held outside of Boston, opened at North Adams with a banquet at which 200 members with their wives were seated.

The entertainment provided for the early part of the evening was distributed between the courses. Dea Valmore A. Whitaker, treasurer of the North Adams Savings Bank, former president of the city council, and probably the oldest bank official present at the meeting, the dean of Berkshire bank officials, welcomed the visiting bankers and their families to the city.

Following the banquet the entire company enjoyed a grand ball for which the Philharmonic orchestra furnished excellent music.

The next morning, June 11, at 8.30 o'clock, the bankers witnessed a successful balloon

flight by A. Holland Forbes of New York in the North Adams No. 1.

Business sessions followed, including the election of officers and the convention closed with a trolley ride to Bennington, Vermont, and return.

—Arthur D. Call, principal of the North School district in Hartford, Conn., has made a report covering a period of several years showing the growing interest taken in school savings banks.

He states that the total average number of weekly depositors was twenty-three the first year and thirty-three last year. There were 114 depositors in the kindergarten, this number being fifty-four per cent. of the enrollment. Seventy-five per cent. of the children of the school have deposited something. The average weekly deposits for the two years was $121.23, the largest weekly deposit being $267.43 and the smallest $56.89. The largest amount deposited by one pupil in two years was $83, and the total deposits for the two years were $6,718.78, and 692 bank books have been issued by the Society for Savings to the children.

The system seems to be working well in Hartford. The theory of it seems to be all right, and the notion that teachers have not the time to attend to it is also knocked out. At any rate, they have found the time and managed in one way or another to make the working of the plan a notable success.

—The annual meeting of the Willimantic (Conn.) Savings Institute was held June 15, and the report of the treasurer shows that the bank has made a gratifying gain during the past year. The officers of the institution feel extremely pleased over the showing made, the gain being $35,209.68, wholly in deposits. The total deposits are now $431,180.28. The old officers were re-elected, as follows: President, Hugh C. Murray; vice-president, Frank P. Webb; secretary and treasurer, Noah D. Webster; directors, Samuel L. Burlingham, Frank Larrabee, Charles A. Capen, Jeremiah O'Sullivan and Hormisdas Dion.

—The doors of the Windsor Locks Trust and Safe Deposit Company were thrown open for business June 3 at the newly fitted quarters, corner of Main and Spring streets, in Windsor Locks, Conn. The corporation was organized in June of last year under a charter granted by the state legislature of 1903. The officers are: President, William Mather; vice-president, John R. Montgomery; secretary and treasurer, Verdine L. Mather.

—Taking advantage of the holiday, the Connecticut Savings Bank of New Haven, on May 30, moved into its new quarters at the corner of Church and Crown streets.

The new edifice is a handsome addition to the business buildings of the city and also affords the Connecticut Savings Bank much better quarters and greater facilities for the operation of its large and increasing business. Its exterior is of pure white marble and the whole structure bears a resemblance to the famous Greek Parthenon.

—Costello Lippitt, president of the Norwich Savings Society has been elected mayor of the city of Norwich, Conn.

—A dividend of twenty-five per cent. was paid on July 3 to the depositors of the defunct Jewellers' National Bank of North Attleboro, Mass.

—About the middle of February, 1907, it was discovered that a very large amount of railroad bonds had been stolen from the Savings Bank of New Britain, Conn., by William F. Walker, its former treasurer. The following is a list of the securities stolen:

St. Louis & Merchants Bridge Co., 1st mortgage bonds, guaranteed by Terminal Railroad Association of St. Louis. Payable at Farmers' Loan & Trust Co., New York. Optional 1909. Definite 1929. Six per cent. One bond, $1,000, No. 43.

Philadelphia, Harrisburg & Pittsburg R. R. Co., gold bonds, 1st mortgage, five per cent. coupon; due Oct. 15, 1925. Interest April and October 15. Nos. 309, 311, 312, 313, 314, 315, 316, 317, 330, 331, 332, 333, 334, 357, 358, 359, 360, 361, 409, 410.

Harlem River and Portchester bonds, $10,000. N. Y., N. H. & H. R. R., 1st mortgage, four per cent. gold bonds, due May 1, 1954. Interest payable May and November 1, at Lincoln National Bank, New York. Ten bonds, $10,000. No. 4923, 4924, 4925, 4926, 4927, 4928, 4929, 4930, 4931, 4932.

Rochester & Pittsburg (B. R. & P.) Cons. Mortgage 6's. Interest June and December, principal due 1922, payable at Union Trust Co., New York. Nos. 1753, 1754, 2765, 2766, 2919, 2920, 3082, 3280, 3730, 3941, 4893, 4894, 4895, 4896, 4897.

Chicago, Milwaukee & St. Paul, Chicago & Pacific Western Div., $1,000 each, 1st mortgage, five per cent. bonds, gold, due Jan. 1, 1921. Interest January and July. Office in New York. No. 266, 2782, 2783, 2809, 3302, 4155, 4321, 5292, 5397, 5752, 6329, 6467, 6470, 6778, 6996, 7053 7237, 7493, 12789. 14670, 15878, 16041, 16042, 17530, 17604, 17857, 19226, 20683, 20754, 21762, 21871, 23009, 23027, 23272, 24083.

Chicago & Eastern Illinois. General Consolidated coupon, five per cent., due 1937,

Nov. 1. Interest due May 1 and November 1, at Central Trust Co., New York city, $49,000. Nos. 6312, 6912, 6936, 7079, 7726, 9401, 9893, 11887, 12201, 12202, 15218, 15219, 15220, 15221, 15222, 15223, 15224, 15225, 15226, 15227, 15228, 15229, 15230, 15231, 15232, 15233, 15234, 15235, 15236, 15237, 15694, 18318, 18324, 20323, 20324, 20325, 20326, 20327, 20328, 20329, 20330, 20331, 20332, 20333, 20334, 20335, 20336, 20337, 20338.

EASTERN STATES.

—The finance committee of the Pittsburg city council has selected the following six banks of that city as depositories of the city's funds for a term of four years beginning next January: The Columbia National, the Farmers Deposit National, the Second National, the German National of the old city, the German National of the North Side and the Workingmen's Savings and Trust Co. The first three are depositories at present. The German National of the old city takes the place of the Allegheny National. It was also elected to take the place of that bank for the remainder of the year.

—It is understood that directors of the International Savings and Trust Company of Pittsburg has considered an offer made for the purchase of the business of the concern. The company, which was organized in 1903 and has $255,025 capital stock paid in, is located at Seventh and Liberty avenues. W. M. Laird is president. There is talk of an effort being made to merge this company with another.

—Bank Examiner William L. Folds has declined to accept the presidency of the Fort Pitt National Bank of Pittsburg, for which efforts are now being made to effect a reorganization, the institution having been closed for some time.

Some of those interested thought it would be a good thing to have at the head of the bank a man of the reputation of Folds, who discovered the $1,105,000 defalcation of John Young and Henry Reiber in the Farmers Deposit National and the embezzlement of about $2,000,000 by Cashier William Montgomery in the Allegheny National. Beyond stating that he could not accept the position, Mr. Folds declined to discuss the subject.

The receiver of the Fort Pitt National Bank has announced a dividend of fifty per cent. to depositors.

—A very sad accident occurred on June 22, at a base-ball game between teams representing the Freehold and Pittsburg (Pa.) Trust Companies, when they crossed bats in Baldwin township just outside Brookline.

In a spirit of fun and at an exciting moment during the game, William F. Mason, resident agent in Brookline of the Freehold Trust Co., shot and killed his best friend, Edward T. J. Haas of the same company, and wounded J. H. McGinity, savings teller of the Pittsburg Trust Co. The gun was supposed to contain a blank shell, but instead carried a charge of buckshot.

—The Bankers Ad. Association of Pittsburg with representatives from all the principal banking institutions of the city present, held a meeting and dinner June 10 at the Seventh Avenue Hotel. A. D. Sallee, president of the association presided. A general discussion of "Mountebank Bank Advertising" was held. Those present included J. E. Haines, H. E. Leety, W. G. Gundelfinger, E. R. Baldinger, B. H. Smyers, W. C. Zeigler, D. C. Wills, H. F. Wigman, C. E. Schuetz, A. D. Sailee, G. K. Reed, W. L. McCullagh, H. S. Hershberger, P. C. Dunlevy, Alexander Dunbar and E. R. Wilson.

—Creditors of the Iron City Trust Company of Pittsburg, which went into the hands of receivers several months ago, not only will be paid 100 cents on the dollar, but will receive interest on their claims. There also will be a nice little balance after the settlement of all claims. Eighty-five per cent. of the claims were paid some time ago and the rest, on recommendation of Special Master Edwin L. Mattern, will be paid now. The receivers, H. S. A. Stewart and William L. Abbott, have on hand $272,799.69 for distribution. The amount due all creditors is $236,060.68.

—The American Bank of Philadelphia opened June 1 at Broad street and Passyunk avenue that city, with these officers:

President, George W. Shisler; first vice-president, John Burt; second vice-president, John H. Baisley; cashier, Frank H. Tuft. The bank has a capital stock of $50,000 and a surplus of $10,000 and is controlled by prominent capitalists of the Quaker City.

—The Union National Bank of Philadelphia, William H. Carpenter, president, issued on June 8 its initial statement showing the position of the bank since the purchase of the assets of the Consolidation National on June 6. The report shows resources of $7,585,847 for the Union National. Deposits aggregate $5,669,514 and surplus and net profits $711,332.

—At the annual election of the Merchants' Trust Company of Philadelphia, the following five directors were elected to serve for three years: S. Davis Page, Joseph R. Rhoads, John H. Craven, John S. Bioren and William Lucas. The company's annual report showed resources of $1,700,936, and gross earnings amounted to $110,682.

—Messrs. Shoemaker, Bates & Co., bankers, members of the New York Stock Exchange, have opened a Philadelphia branch office at No. 217 Real Estate Trust Building, in charge of S. G. Williamson, formerly with E. Gay & Co.

—Two of the rarest specimens of the American private gold coinage were sold at the auction of old coins held by Henry Chapman at Philadelphia June 17 and 18. The first of these was a five-dollar goldpiece struck in Colorado during the "Pike's Peak or Bust" days by a firm of jewelers and bankers, J. J. Conway & Co., at a small mining camp in the famous Georgia Gulch district and was sold to Thomas L. Elder of 32 E. 23d street, New York.

This coin is of original design, and intrinsically worth over five dollars, having been struck from the unrefined native gold, and it is the scarcest of the various issues of private gold coinage which took place in the Centennial State during the gold excitement days. So far as known, the only other piece in existence is that in the coin collection of the Philadelphia mint. The second coin is a ten-dollar goldpiece issued by the Cincinnati Mining and Trading Company in California in the days of '49, and bears an Indian's head, surmounted by a chaplet of feathers. On the reverse is a somewhat attenuated eagle. Crude as the design may be, this ten-dollar piece enjoys the distinction of having brought the highest premium ever given for a specimen of private gold coinage, $2,109 being paid the other day for a similar specimen at the Sotheby sale in London.

—At the recent annual meeting of the Tradesmen's Trust Company of Philadelphia, all the directors were re-elected with the exception of Edward G. Davis, who was succeeded by Henry C. Trumbower.

—O. P. Bechtel, who retired last January after serving thirty years as a judge of Schuylkill County, Pa., was on June 19 elected president of the Merchants' National Bank of Pottsville, Pa.

—The national bank members of the Buffalo Clearing-House have formed the nucleus of one section of the National Currency Association, now in progress of organization. This association is called for under the terms of the recent Aldrich-Vreeland bill, and when in operation will be the medium for the issuing of Government currency to individual banks.

At a meeting held recently it was decided to do nothing definite until action shall have been taken by the larger cities. As organization blanks have been sent to all the great centers by the Secretary of the Treasury, it is expected that the permanent organization will be formed within a short time.

When the plans for the association are complete the national banks in the eight counties of Western New York will be requested to join with the Buffalo banks, with this city as the center of a section. Other sections will be established with large cities as centers, and all will be linked together as the National Currency Association.

—The First National Bank of Washington, Pa., has reorganized its governing board, electing an entire new set of officers and directors.

W. C. McBride was made president in place of S. M. Templeton. Robert L. McCarrell, former assistant cashier, was elected vice-president, succeeding D. M. Donahoo and John W. Seaman. Joseph C. Baird was named cashier in place of Charles S. Ritchie. Joseph Zelt was retained as assistant cashier.

—Daniel S. Tobin, for a number of years secretary of the McKeesport, Pa., Water Works, has been elected cashier of the Merchant' Bank of that city, succeeding H. H. W. Schuchmann, resigned.

—H. W. Rhodes, who has been secretary and treasurer of the Media Title and Trust Co. of Chester, Pa., for a number of years, has been elected president to fill the vacancy caused by the death of George Drayton.

—For the first week of business of the Emerson National Bank of Warrensburgh, N. Y., which ended with the close of business June 1, $100,000 in new deposits were received.

—A very excellent report comes from the Peoples Bank of Buffalo, N. Y., dated June 17, showing their financial condition and standing.

This institution with the small capital stock of $300,000, has a quarter of a million dollars credited to its surplus and undivided profits account, and deposits of nearly five millions of dollars, a very material increase over its last statement.

The People's Bank is strongly officered and is gaining an enviable reputation for courteous treatment, prompt service and all the essentials required of a bank by those doing business with it.

—At a meeting of the board of directors of the National Bank of Auburn, N. Y., held recently, George B. Longstreet was elected president, succeeding Edward H. Avery, deceased. Mr. Longstreet has been connected with this bank over thirty years, having served eighteen years in official capacity. Charles F. Stupp has been appointed assistant cashier.

—A controlling interest in the National City Bank of Washington, D. C., has passed to the Union Savings Bank of that city. Of the 3,000 shares of the National City, 1,600 have been purchased by the new interests at $170 per $100 share. As a result of the change in the control of the National City, that institution will take over the deposits of the Washington Exchange Bank, an institution affiliated with the Union Savings Bank, and the Exchange Bank will be placed in liquidation. The last-named bank has a capital of $150,000 and deposits of about $230,000. E. Quincy Smith, president of the Union Savings Bank, has been elected president of the National City, and Edward S. Munford has become its vice-president. A. G. Clapham remains as cashier and R. E. White as assistant cashier of the National City.

—As a fitting memorial to a century of prosperous and useful service, the Trenton Banking Company of Trenton, N. J., has published and distributed among its friends a handsome cloth-bound history of the bank, dating back to its organization in 1805.

The volume is artistically printed and illustrated with many rare old engravings, and contains a biographical sketch of every officer who has been connected with the bank during its existence.

When first organized the Trenton Banking Company had a capital stock of $59,580; for the last four decades the capital stock has been $500,000.

One of the interesting features of the volume is a table showing the decennial statements from 1805 to 1906 inclusive.

Isaac Smith, a physician, judge and patriot of '76, was the first president of the Trenton Banking Company, Pearson Hunt the first cashier.

The present officers are: John A. Campbell, president; Elmer Ewing Green, vice-president; Robert W. Howell, cashier.

MIDDLE STATES.

—The First Trust and Savings Bank of Chicago, which was organized in December, 1903, has had a healthy, steady growth during the four and one-half years of its existence, and now finds it necessary to occuy considerably enlarged quarters, owing to the generous support given it by the savings and investing public. Its office space on the ground floor of the First National Bank building has been nearly doubled, and the enlarged room will, no doubt, insure a continuance of the superior service which has been characteristic of the institution.

This bank, whose president, James B. Forgan, is also president of the First National Bank of Chicago, is under the management of the same board of directors as is the First National, and the stock is owned by the stockholders of that institution.

The functions include those of a savings bank, trust company, bond house, and reserve depositary—in fact, every conservative form of financial service except that of a commercial bank.

Primarily established to provide savings and fiduciary facilities to the clients of the First National Bank of Chicago, the First Trust and Savings Bank has received such liberal endorsement from the general public that its deposits, representing the accounts of many thousands of people, now exceed $33,000,000, and are still growing.

—In their comparative statement of condition made May 14, the Bankers National Bank of Chicago, which has a paid-in capital of $2,000,000, shows some large gains in deposits.

In brief, the report was as follows:

May 14, 1900, deposits were $9,466,695.70
May 14, 1904, deposits were $13,431,017.80
May 14, 1908, deposits were $20,248,161.43

—There have been some important changes made in three of the larger Chicago banks which embody the election of new officers.

L. A. Goddard has resigned as president of the Fort Dearborn National Bank to become vice-president of the State Bank of Chicago. He assumed his new duties on June 2. The directors of the Fort Dearborn then met and elected William A. Tilden, president of the Drovers Deposit National, to succeed Mr. Goddard as head of the Fort Dearborn National Bank.

This change left the Drovers Deposit National without a president and accordingly R. T. Forbes, vice-president, was elected Mr. Tilden's successor.

In its last official statement the State Bank showed $17,638,700 deposits and $12,378,800 loans and discounts. The bank's capital stock is $1,000,000 and the surplus and undivided profits $1,194,700, giving a book value of $219 a share. Recently the directors decided to increase the dividend on the stock from ten per cent. to twelve per cent. a year, and the quarterly payment June 30 was made at the increased rate.

The Fort Dearborn National reports $10,956,000 deposits and $6,294,000 loans. The bank has $1,000,000 capital, $411,440 surplus and profits and the stock a book value of 141.

—Stockholders of the Federal National Bank of Chicago, which is in the course of liquidation, have been paid another ten per cent. making sixty per cent. paid so far.

—John A. Spoor has been elected vice-president of the Live Stock Exchange National Bank of Chicago.

—The Home Savings Bank of Detroit, Mich., announces that for the first time in its history its deposits have passed the $6,000,000 mark. The savings deposits total $4,008,284.87, showing an increase of upwards of $200,000 since Feb. 1 last.

—What are supposed to be the handsomest banking quarters in the state of Michigan were opened in Detroit June 1, by the First National Bank of that city, at which time an impromptu reception was held.

The bank is one vast room—all of the first floor being occupied except the small space taken for entrance hall and elevators. In its sweep, decorations and furnishings it is one of the most elegant banking rooms in the country.

It was thronged on the opening day with customers and visitors. There were floral remembrances of the day in profusion from other financial institutions in the city. President M. L. Williams, Vice-Presidents John T. Shaw and Emory W. Clark, and all the assistant cashiers, did little else during the day but receive visitors and reply to congratulations.

The bank is entered through the Ford building main entrance hall, there being large doors opening into the bank at both sides of the hall. Near the entrance on the south side and around the Griswold and Congress street corner are the private rooms of the president and vice-presidents. Near the north side doors is the ladies' department, semi-private, and furnished with costly rugs and chairs. All the furniture is of mahogany.

—The Peninsula Savings Bank of Detroit, Mich., has increased its capital from $400,000 to $500,000, and brought its surplus up to $200,000. It has an aggregate business of $6,000,000.

—A handsome modern stone and brick building will be erected during the summer for the use of the White County Bank, Carmi, Ill. Ground has also been bought by the National Bank of Carmi for a new building to go up soon.

—One of the largest and most successful banks in southern Illinois, the First Bank and Trust Company of Cairo, in a late report, gives its resources at $1,671,919 and its deposits at $1,324,026.

This bank has been in business for forty-two years and has always been ably and conservatively managed, as its present statement goes to prove.

First Bank and Trust Co., Cairo, Ill.

The building shown is a modern one in every particular and contains large steel vaults for renting to customers with valuables to protect from fire and burglary.

Officers of the First Bank and Trust Company are: President, J. S. Aisthorpe; vice-presidents, H. S. Candee, W. H. Wood, and W. P. Halliday; cashier and secretary, Geo. F. Ort; assistant cashier and assistant secretary, H. R. Aisthorpe.

—There will be no merger of the Title Guaranty Trust Company of St. Louis, Mo., with the Lincoln Trust and Title Company as proposed some time ago. Directors of the Title and Guaranty Company have rejected the plan.

—Charles H. Moore, who has been treasurer of the Commerce Trust Company of Kansas City, Mo., has been elected second vice-president of the National Bank of Commerce. Mr. Moore was assistant cashier of the National Bank of Commerce before it closed and has been identified with it for twenty-five years.

—Thomas Brusegaard has been elected president of the State Bank of St. Paul, Minn. He will make his permanent residence in St. Paul, and take an active part in the management of the bank. He was for seventeen years engaged in banking at Brandon, Minn.

—A new institution, known as the First State Bank has been organized in Floodwood, Minn. The bank has a capital of $21,000 and is successor to the Bank of Floodwood. M. H. Schussler is president, A. D. Haish is vice-president, and C. D. Rutherford is cashier.

—One of the most successful meetings of the Iowa Bankers' Association ever held in that state, convened at Sioux City June 11-12. It was largely attended, as the association now has close to 1200 members, and every bank chose to have one or more representatives present.

—Council Bluffs, Iowa, will have another national bank in the near future. Just what its capitalization will be has not been disclosed, but doubtless it will be a formidable institution in the local field, as preparations are under way to remodel the Hannan block for its use.

Directors of the Merchants National Bank of Cedar Rapids, Iowa, have elected Jas. E. Hamilton vice-president and J. S. Brocksmit to succeed Mr. Hamilton as cashier.

—After twenty years of success as a State banking institution, the Citizens State Bank of Knightstown, Ind., is to become a national bank. No changes will be made in the official management of the bank, which has been an important factor in the community it serves. L. P. Newby, for seventeen years president of the bank, will continue in that office; F. J. Vestal, who has been connected with the Citizens' as assistant cashier, cashier and vice-president for eighteen years, will be vice-president, and A. L. Slage, who has served the bank for fifteen years as assistant cashier and cashier, will be the cashier of the institution under its national charter.

—About 500 persons were assembled before the Peoples Bank of Columbus, Ohio, when the doors were opened on the morning of June 24, but after many had drawn their savings the incipient run was over and normal conditions prevailed the remainder of the day.

While the run was in progress, $3200 in cash was found at the home of Harry R. Huggett, the cashier, who suicided the night before.

—In response to the comptroller's call for May 14, the First National Bank of Shenandoah gave its resources as $963,871; capital as $50,000; deposits as $771,394 and surplus fund as $92,477. The deposit item represents an increase of $63,577 as compared with the February 14 statement.

SOUTHERN STATES.

—Members of the West Virginia Bankers Association met at Charleston, W. Va., June 10, and held their fifteenth annual convention. They were welcomed on behalf of the city by Mayor James A. Holley, and on behalf of the bankers of Charleston by Wesley Mollohan, president of the Citizens' National Bank, to which response was made by C. T. Hiteshew, cashier of the Farmers' & Mechanics' National Bank, Parkersburg, W. Va.

After the annual address by president W. G. Wilson and the report of W. B. Ivirne, secretary and treasurer, Hon. Charles McCamie, of Wheeling, addressed the convention on bank taxation.

At the evening session Hon. Charles N. Fowler, chairman of the Committee on Banking and Currency, House of Representatives, discussed the currency question.

At the session on Thursday addresses were made by Thos. E. Hodges, of West Virginia University, president of Bank of Morgantown, W. Va., and Samuel V. Matthews, Commissioner of Banking of the State of West Virginia.

—At a recent election held by the Bank of Clinch Valley, Tazewell, Va., several new officers were installed.

A. St. Clair is the new president, to succeed the late John W. Crockett, and Henry S. Bowen is the new vice-president to succeed B. W. Stras, resigned.

The bank has a capital stock of $100,000 and undivided profits of $40,000 and has been very successful.

—Work has been started on a splendid up-to-date bank building at Crozet, Va. It will be a concrete structure thirty-eight by forty-eight feet, two stories high, with granite front, and will be heated by steam and lighted by gas.

When completed it will be owned and occupied by the Bank of Crozet, Incorporated, which has outgrown its present quarters, and will be one of the finest equipped banking buildings for a town of its size in the state.

Russell Bargamin is president of the bank, and it is mainly through his untiring energy and business ability that the town will be able to boast of such a banking institution.

—W. F. Winecoff, one of the best known capitalists of Atlanta, was on June 6 elected a director in the Atlanta (Ga.) National Bank. Mr. Winecoff is president of the General Realty Company, and is a large dealer in Atlanta real estate and other business enterprises.

The Atlanta National, in adding Mr. Winecoff to its board of directors, is merely following out its announced intention a short time ago, when it increased its capital stock and surplus, and gave notice of its intention to add a number of new members to its board.

—The Commercial and Savings Bank of Macon, Ga., becomes a national bank this month. This move was decided upon a few days ago by the board of directors and stockholders. It will be capitalized at between $300,000 and $400,000. The officers are to remain the same, E. Y. Mallory, president, and J. J. Cobb, cashier.

—Walker Scott, who for several years has been the assistant cashier of the Planters Bank, of Farmville, Va., has been elected cashier to succeed W. P. Venable who resigned to engage in other business. R. S. Warren, formerly cashier of the State Bank of Arvonia, Va., has been elected assistant cashier to succeed Mr. Scott. The officers report the Planters Bank as never being in a better condition. It has capital, surplus and profits, $120,000.

—On May 23 the elegant new home of the First National Bank of Pensacola, Fla., was thrown open to public inspection and on that day many distinguished visitors took advantage of the opportunity offered them to admire its architecture and finish.

—Robert Holmes has been elected vice-president of the First National, Sparta, Georgia. John Walker is president of the bank, which has a capital, surplus and undivided profits of $62,000.

—At a recent meeting, the directors of the Amite Bank & Trust Company, at Amite City, La., declared a dividend of five per cent. The bank, which is in prosperous condition, has just purchased an attractive new building on East Railroad avenue and will move as soon as the necessary arrangements can be made.

—Plans for the structure to be erected by the City National Bank of Knoxville, Tenn., are now under way in the office of a

New York firm. The plans call for a single story banking building, with a dome about seventy feet in height. The front will be all marble, and a handsome building is promised.

—The Citizens' Bank & Trust Co. of Chattanooga, Tenn., has decided to organize under the Federal laws. An application for its conversion into the Citizens' National Bank was approved by the Comptroller of the Currency on June 10. On June 4 the stockholders of the institution took action on the question of increasing the capital from $250,000 to $300,000, the enlarged capital becoming effective on that date. The new stock, par $100, was sold at $120 per share. The bank reports a surplus of $100,000, the amount having been increased practically $15,000 within the past two months.

—The Capital City Savings Bank, the only negro bank in Arkansas, went into the hands of a receiver June 19, on request of Charles B. King, the cashier.

Because an illiterate negro had overdrawn his account and had his check refused, he started a report that the bank was insolvent. Several hundred negro depositors appeared before the institution demanding their money. There was only $2,000 in cash on hand and the doors were not opened.

The liabilities are about $75,000, with assets considerably in excess.

—Charles H. Treat, United States Treasurer, addressed the Georgia Bankers' Association at Brunswick June 12, on the financial legislation that has been accomplished under President Roosevelt's administration.

He said that the interest of the general public had been so much absorbed by other legislation with which the administration was identified, such as railroad regulation, the pure food law and like reforms, that they had lost sight of the beneficial results that accrued to the business world from the financial legislation that was urged by the president.

Mr. Treat's address was the feature of the convention which all pronounced exceptionally good and which was well attended.

—On July 1, the American Bank and Trust Company of Houston, Texas, surrendered its state charter and became the American National Bank, with a capital stock of $300,000, all subscribed.

The American Bank and Trust Company was organized August 13, 1905, with a capital of $100,000 and started with a good business, which by good management has been steadily built up. Frank W. Vaughan has been cashier since the organization of the bank and has given every evidence of being conservative and at the same time accommodating, the two qualities which make for the successful banker. W. E. Richards has been president for only a few months, but has created for himself a place in the business life of Houston and has shown that in the enlarged field of the institution he will be at home.

—At a meeting of the board of directors of Britton and Keontz Bank, Natchez, Miss., held June 2, the following officers were elected to serve during the ensuing year:

George W. Koontz, president; A. B. Learned, vice-president; F. C. Martin, vice-president; C. B. Richardson, Jr., cashier.

WESTERN STATES.

—Statistics show that bank deposits in South Dakota are approximately $100 for each resident of the state. While there has been a decided increase in population the past year, the deposits have been practically keeping pace with this increase. The banks at the time of the last call had individual deposits to the amount of $53,686,885. There are a far greater number of state banks than nationals, and while the latter carry greater deposits for each bank than the average state bank, the states hold by far the largest amounts of deposits. That class of banks had $34,125,956 at the time of the March call, an increase of nearly $3,000,000 from the date of the December call. The nationals with $19,560.929 showed a decrease of a million and a third dollars for the same time, leaving a net gain for the state of about $1,500,000.

While the state has for years held the record for the greatest per capita production of new wealth, it is also holding its own in its bank deposits.

—C. H. Randall, who has been serving as cashier of the Security National Bank,

Randolph, Neb., has been elected to the vice-presidency. M. P. Buol now fills the office of cashier.

—The capital stock of the Sylvan State Bank, Sylvan Grove, Kansas, has been increased from ten to twenty thousand dollars. During the elapsed half year this bank has been very successful and its business has been good enough to warrant the increase of capital. It is officered by the following men: A. R. Buzick, president; John Calene, vice-president; H. S. Buzick, Jr., cashier; W. H. Breihan, assistant cashier.

—After having the matter under advisement for same time, a decision has been reached by the directors of the Exchange National Bank of Colorado Springs, Colo., to erect a modern sky-scraper of steel and stone on the location now occupied by the bank at the southwest corner of Pikes Peak avenue and Tejon street. The building will be the largest and most modern business block in the city and will cost upwards of $300,000.

It is the intention to have it six or seven stories in height, of the most modern design and construction, fire-proof in every respect and built largely of steel and brick. Details of design and construction will be left to the architects and builders.

—Two of the banks of Rawhide, Nevada, the Bank of Rawhide and the Merchants and Miners' Bank, have consolidated and thereby perfected one of the strongest combinations in the state.

This is a preliminary step toward the transformation into a national bank, for which a charter has already been applied under the title of Merchants and Miners' National, and the conversion will undoubtedly be accomplished this summer.

Volney B. Leonard will be president of the new bank and Charles A. Gehrman first vice-president. The large quarters now occupied by the Bank of Rawhide will be still further enlarged and a modern fireproof vault such as is in use in the larger cities be added, besides other increased facilities for transacting banking business.

—On July 27 and 28 the fifth annual convention of the Montana Bankers' Association will convene at Billings, Montana. An excellent program has been arranged and many prominent bankers throughout the west will attend.

—At the annual convention of the National Association of Credit Men, in session at Denver, Colo., June 25, the special committee on currency, of which James G. Cannon, president of the Fourth National Bank of New York, made a report, which after reviewing the course of financial legislation at the last session of Congress, said:

Doubtless in the view of the board of directors who created your Currency Committee, and certainly in the opinion of the committee, it is the duty of the National Association of Credit Men to get an understanding of currency and banking problems, because the whole credit structure which we are building day by day rests upon their proper adjustment. As it is our duty and the purpose of the organization to work for betterment in all conditions affecting credit, the currency and banking system, which is as important to credit as the warp to the cloth, cannot by any excuse be neglected. The association should recognize that the problems our present system presents will not work out their own solutions and that the radical differences in the proposed cures for its weaknesses point to the need of earnest deliberation and study on the part of the entire business community. The business man and banker have a common interest, each as great as the other, in the solving of these problems and must unite to understand them, and the National Association of Credit Men, bringing together, as it does, merchant, manufacturer and banker, is already well equipped to take up this duty and perform a splendid service for the entire country.

We have no desire at this time to commit the association to any specific currency plank. It is to our minds sufficient if we have convinced the members of the association of their duty and opportunity and directed them into a path which leads towards such a solution of our currency problems as will give us relief from these disastrous panics which ruthlessly destroy our great credit structure.

We, therefore, present for your consideration the following:

Whereas, The currency and banking system of the country is at the foundation of our credit system and upon the soundness of the currency and banking law the safety of the country from unwholesome expansions and disastrous reactions largely depend, and

Whereas, An intelligent and educated public opinion regarding banking and currency is requisite for the enactment of laws which shall be in accord with sound reason and experience, and

Whereas, The National Association of Credit Men recognizes that it is its duty to work for the improvement of a system which so deeply affects the credit interests of the business community, be it

Resolved, That the National Association of Credit Men shall continue its Special Currency Committee under the name "Special Banking and Currency Committee," and arrange at the convention of 1909 by amendment to the constitution to place the committee among its standing committees, and further be it

Resolved, That the local associations be requested to appoint banking and currency committees to consist of five members, three from the merchant members and two from the banking members, these committees to work in conjunction with the National Banking and Currency Committee, to bring about a more thorough co-operation between commercial and banking interests to the end that there may be aroused a sounder and more intelligent understanding of currency and banking questions.

—Since February 29, 1908, the state banks of Oklahoma have gained $2,355,602 in individual deposits and $204,170 in undivided profits.

This report speaks well for the future of

profitable banking in the new state and indicates that the new state is second to none when it comes to getting new business.

—The Wallace (Idaho) Banking and Trust Company was recently converted into a national bank, and is now conducting its large business under the name, the Wallace National Bank. It is capitalized for $50,000 and officered as follows:

President, H. F. Samuels; vice-president, T. N. Barnard; cashier, F. C. Norbeck; and assistant-cashier, L. R. Adams.

—R. Lewis Rutter, secretary of the Spokane & Eastern Trust Company, has been elected president of the First State Bank of St. Joe, Idaho. The other officers are: Vice-president, A. W. Holmes, St. Joe; cashier, E. G. Ranney. The bank will open for business in the near future.

—The Globe (Arizona) National Bank, which closed its doors November 4, after a run lasting several days, has reopened, prepared to pay all depositors. The bank's capital is $50,000.

PACIFIC STATES.

—At a special meeting in London, June 15, of the shareholders of the London, Paris, and American Bank, Limited, which has a capital of $5,000,000, voluntary liquidation was decided upon for the concern. The assets will be sold to a new bank, to be called the London and Paris National Bank of San Francisco, which is to be incorporated under the laws of the United States, with a capital of $2,500,000.

Nearly ninety per cent. of the capital of the bank now being wound up is held in California, and the desirability of reconstructing the company under American laws had been urged by the larger shareholders.

—On June 1, the First National of Oakland, Cal., opened their beautiful new eight-story building at Broadway, San Pablo avenue and Fourteenth street. The new quarters are said to be a veritable palace of splendid marble, mahogany and old bronze, and as complete and modern as any in the city or state.

They include the main counting room, executive offices, ladies' waiting room, safe-deposit vaults, and mezzanine gallery for the bookkeepers, all conveniently arranged and semi-private.

The First Trust and Savings Bank has its quarters on the San Pablo avenue side of the main floor and is under the same management and control as the First National but has its own capital and its functions are entirely separate from those of the national bank. The present official staff of the bank is as follows:

P. E. Bowles, president.

L. C. Morehouse and L. G. Burpee, vice-presidents.

E. N. Walter, cashier.

C. N. Walter and S. H. Kito, assistant-cashiers.

—All the deposits of the Manhattan Savings Bank of Los Angeles, Cal., have been purchased by the Home Savings of Los Angeles and will be added to its business at Broadway and Mercantile place. The Manhattan had a capital of $50,000 and deposits of $90,000.

The Home Savings Bank, which ranks with the conservative banks of Los Angeles, has a capital of $200,000 and deposits of about $700,000. Its growth and success has been very marked since its organization four years ago, and from present indications the growth has not stopped.

—Sixty-five men are engaged on the new Berkeley (Cal.) National Bank building and with the close of each day the progress over the day before is noticeable.

The Utah sandstone which will face the building for the first two stories has arrived and the first tier has been laid to mark the lines which the masons will build it. This stone is of a rare quality and of a color that is not dazzling to the eye, yet is pure white, with just enough of the bluish tint to deaden the blinding glare that is the chief objection to the pure white. The upper stories will be faced with white terra-cotta and the building will present an imposing appearance when completed.

Special attention is being paid to the vault which is being built in the basement of the building. The structure will be of solid concrete, reinforced by steel rails. Inside of this will be the steel vault and deposit boxes. The construction of the vault is calculated to be both fire and burglar proof. Entrance to this department will be effected by means of winding stairs which will be located at the corner of the building.

—The Overland Bank of Auburn, Cal., was formally organized June 9, by electing its officers for the ensuing year. The organizers of the bank are A. Shadbolt, of South Dakota; G. W. Brundage, recently of the Central Bank, Oaklahd, and the following from Auburn: J. E. Walsh, B. B. Deming, W. F. Jacobs, G. W. Brundage, J. B. Landis, S. G. Watts. The following are the officers who were chosen: A. Shadbolt, president; S. G. Watts, vice-president; G. W. Brundage, cashier.

The bank opens in temporary quarters, with a capital stock of $25,000, but expects to erect a handsome building in the near future.

—A certificate authorizing the Seaboard Bank of San Francisco to operate as the Seaboard National Bank was issued by the Treasury Department on May 22. The bank's capital remains, as before the conversion, at $250,000.

—Few of the smaller banking corporations in Southern California can boast of a handsomer building than the one which has been erected for the First National Bank of South Pasadena. The building is on the southwest corner of Mission street and Diamond avenue. It is one story high and of pressed brick construction.

The principal banking room fronts on Mission street, and back of this is the savings department and the safe deposit vaults. In addition to these the building contains handsome private offices and rooms for the meetings of the directors. All the furnishings are in mahogany.

The bank was established about three years ago as a private institution, but a few months ago a national bank charter was taken out. Jonathan S. Dodge is the president, and George W. Lawyer, cashier.

—A condensed report made to the Comptroller by the American National Bank of San Francisco shows that bank to have had on May 14, deposits of $5,286,164 and cash and exchange to the amount of $1,996,239.

These figures represent an increase of business that is very encouraging to those interested in the bank.

—Theo. Reichert, heretofore vice-president, has been advanced to the presidency of the United States National Bank of San Francisco, succeeding C. A. Hawkins.

—On June 18, 19 and 20, the thirteenth annual convention of the Washington Bankers' Association convened and held its sessions in the city of North Yakima.

A program replete with interesting and unusual features was enjoyed by all the members and a large number of out-of-the-state visitors.

—What will be known as one of the strongest banks on the Pacific coast has been incorporated at Portland, Oregon, under the name Ladd and Tilton Bank.

Founded by W. S. Ladd in 1859 and since that time known as the Bank of Ladd and Tilton, it has grown from modest beginnings to its present proportions.

The new institution will have a paid-up capital of one million dollars, with a surplus and undivided profit account of four hundred thousand dollars, and will be officerer as follows: William M. Ladd, president; Edward Cookingham, vice-president; W. H. Dunckley, cashier and secretary; Robert S. Howard, Jr., J. Wesley Ladd, Walter M. Cook, assistant-cashiers.

CANADA.

—Frank W. Strathy, heretofore manager of the Montreal branch of the Union Bank of Canada, having accepted the position of manager of the Traders' Bank, Toronto, has been replaced at Montreal by A. S. Jarvis, who for twenty years has been an officer of the Union Bank. In his new position an excellent opportunity will be afforded him to put his experience and ability to a fair test.

—Directors of the Quebec Bank, at the ninetieth annual meeting of the stockholders, held June 1, presented the balance sheet of the bank and its profit and loss account for the year.

The usual quarterly dividends have been paid and an amount of $5,000 has been set apart for the pension fund in conformity with a resolution of shareholders to that effect. A special reserve of $25,000,000 is made to cover fluctuations in the value of securities held, and owing to the present uncertain outlook of trade, all the balance of the profits is transferred to profit and loss account.

At a meeting of the directors, held immediately after the annual meeting John T. Ross was elected president, and Vesey Boswell was elected vice-president.

The bank has been ably managed and directed by Thomas McDougall, a banker of wide experience and knowledge.

WITH BANKERS MAGAZINE ADVERTISERS.

IMPORTERS AND TRADERS NATIONAL BANK.

THE July 1, 1908, statement of the Importers and Traders National Bank of New York is a most satisfactory one. The total resources on that date were $36,884,261.66, as against $35,324,991.33 Jan. 2, 1908. During the same period the deposits increased from $26,631,604.58 to $28,026,559.17, and the surplus and profits from $8,643,386.75 to $8,708,302.49. Cash, reserve and demand loans were $16,279,116.75, against $14,739,824.20 in January.

The Importers and Traders has a very strong directorate, including John Arbuckle, of Arbuckle Brothers, coffee; Isaac D. Fletcher, chairman American Coal Products Co.; Henry C. Hulbert, formerly of H. C. Hulbert & Co., paper; Henry R. Ickelheimer, of Heidelbach, Ickelheimer & Co.; Adolph Lewisohn, capitalist; James R. Plum, of James R. Plum & Gale, leather; H. H. Powell, cashier; Edward C. Rice, of Rice, Quinby & Co., grain and flour; Edward Townsend president; Edward Van Volkenburgh, formerly of P. Van Volkenburgh & Co., dry goods; John J. Walton, of Hunter, Walton & Co., produce, and P. B. Worrall, of Fred. Butterfield & Co., dry goods.

Edward Townsend is president, and H. H. Powell, cashier. The bank will shortly move into its handsome new Broadway building.

THE MAKING OF BONDS.

IN a recent number of its beautiful "Imprint," the American Bank Note Co. gives this good advice about the making of bonds:

We will suppose that your company is to put out a one million dollar bond issue. The bond runs fifty years and pays five per cent. interest. Together with its coupons it therefore constitutes a negotiable evidence of debt to the amount of three and one-half million dollars. Is it not wiser to pay a few cents more per bond for workmanship which minimizes the possibility of counterfeiting than to effect an inconsiderable saving by accepting inferior protection?

It should be realized that the coupons, when due, are freely negotiable. The bonds may easily come into the hands of men whose dishonesty is exceeded by nothing but their skill at profiting by it. Such a man might, if he wished, work throughout the entire life of the bond in an effort to produce a fac-simile. To safeguard against such attempts requires the utilization of every known method for insuring security.

The necessity for the utmost pains in this connection is but half appreciated by the average corporation. Alteration, overissue or fraudulent duplication of their bonds will effect both themselves and the holders. Security is the indispensable quality. Injudicious economy in this regard is likely to result in that which will severely injure a corporation's credit. A poorly prepared bond becomes a lasting temptation to the unscrupulous.

BIGGEST SALE OF ADDING MACHINES.

MR. E. ST. ELMO LEWIS, advertising manager of the Burroughs Adding Machine Co., gives us the following information about what is said to be the biggest sale ever made in the history of the adding machine business:

Frank A. Munsey, the publisher of countless periodicals and daily newspapers, who never does anything except on an extraordinary scale, signed an order the other day for 100 Burroughs Adding and Listing Machines.

All of these machines are to be used by the Frank A. Munsey Company and its associated companies, prominent among which is the great Munsey syndicate of retail stores called the Mohican Stores, with headquarters in the Flatiron building, New York, which also houses the Munsey publishing interests.

The Mohican Stores represent a great advance in retailing methods, and the system of accounting between the various stores and the home offices is unusually complete. Among other things, the branch managers make out daily reports to the home offices which would require a great deal of time and hard work if handled in the ordinary hand-and-mind way. By using the Burroughs, however, the day's transactions are recorded on the report sheets and duly tabulated as fast as an operator can touch the keys and move the lever. A Burroughs will be installed in each of these stores, forming a part of the equipment as important as the scales or cash register.

CERTIFICATION OF MUNICIPAL BONDS.

THE total of bonds issued under the supervision of the City Trust Co. of Boston now amounts to nearly $10,000,000, and fifty-one cities and towns in various parts of the country have availed themselves of the services of this important department. Municipal officers are now recognizing the fact that the market for their securities is greatly strengthened and broadened by being certified in this way. The company supervises the entire process of issuing bonds, including their engraving. All the leading technicalities are properly looked after, and the company's certificate shows that the bonds are genuine and that their legality has been approved by competent attorneys, so that the whole story in connection with a certain bond issue can be had at short notice upon application to the company.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Peoples National Bank, Hot Springs, S. D.; by J. F. Parks, et al.
Peoples National Bank, Clintonville, Pa.; by H. J. Crawford, et al.
Littletown National Bank, Littletown, Pa.; by C. P. Gettier, et al.
First National Bank, Letcher, S. D.; by F. R. Ward, et al
First National Bank, Monrovia, Md.; by M. P. Wood, et al.
First National Bank, Eustis, Neb., by L. R. Ewart, et al.
Commercial National Bank, Cedar Rapids, Ia.; by J. L. Bever, Jr., et al.
First National Bank, Coulee City, Wash.; by A. Kuhn, et al.
First National Bank, Mabton, Wash.; by A. T. Carlson, et al.
Bridgeport National Bank, Bridgeport, Ala.; by A. A. Lesueur, Jr., et al.
First National Bank, Hardin, Mont.; by John B. Arnold, et al.
Citizens' National Bank, Lamar, Colo.; by John M. Williams, et al.
First National Bank, Arenzville, Ill.; by George Englebach, et al.
Macomb National Bank, Macomb, Ill., by James O. Peasley, et al.
First National Bank, Ansonia, Ohio; by Henry Schlemmer, et al.
First National Bank, Ramsey, Ill., by E. J. Miller, et al.
First National Bank, New Paris, Ohio; by Sarah Peelle, et al.
City National Bank, University Place, Neb.; by E. S. Kirtland, et al.
First National Bank, Lemont, Ill., by H. D. Baillet, et al.
First National Bank, Caiman, Colo.; by R. C. LaRue, et al.
Luzerne County National Bank, Wilkes-Barre, Pa., by George K. Powell, et al.
Terre Hill National Bank, Terre Hill, Pa.; by S. F. Foltz, et al.
Harrington National Bank, Harrington, Wash.; by A. G. Mitchum, et al.
First National Bank, Leland, Miss.; by W. O. Aldridge, et al.
American National Bank, Houston, Tex.; by W. E. Richards, et al.
Manasquan National Bank, Manasquan, N. J.; by W. J. Couse, et al.
Peoples' National Bank, Mount Pleasant, Pa.; by M. J. Kennedy, et al.
First National Bank, Bainbridge, Pa.; by I. Oliver Fry, et al.
First National Bank, Delano, Cal., by S. Mitchell, et al.
First National Bank, Highgrove, Cal.; by Stanley J. Castleman, et al.
National Bank, Hudson, Ohio.; by A. H. Ditrick, et al.
First National Bank, Carson City, Nev.; by P. B. Ellis, et al.

Applications for Conversion to National Banks Approved.

Bank of Alameda, Alameda, Cal.; into Alameda National Bank.
Dexter State Bank, Dexter, Kans.; into First National Bank.
State Bank, Adams, Neb.; into First National Bank.
Tilden State Bank, Tilden, Neb.; into First National Bank.
Shelton Bank, Shelton, Neb.; into Shelton National Bank.
Forest City Bank, Forest City, N. C.; into First National Bank.
Farmers' Bank Co., Arcanum, O.; into Farmers' National Bank.

First Bank, Hermiston, Oreg.; into First National Bank.
Bankers & Lumbermen's Bank, Portland, Oreg.; into Lumbermen's National Bank.
Citizens' Bank & Trust Co., Chattanooga, Tenn.; into Citizens' National Bank.
Kosse State Bank, Kosse, Tex.; into First National Bank.
Glenville Banking & Trust Co., Glenville, W. Va.; into Glenville National Bank.

National Banks Organized.

9137—Shelbina National Bank, Shelbina, Mo.; Capital, $30,000; Pres., J. H. Wood; Vice-Pres., Jas. E. Ragsdale; Cashier, W. H. Jones; Asst. Cashier, Geo. W. O'Bryan. Conversion of Farmers & Merchants' Bank.
9138—City National Bank, Wymore, Neb.; capital, $50,000; Pres., Chas. G. Anderson; Vice-Pres., J. A. Reuling; Cashier, J. S. Jones; Asst. Cashier, E. B. Smith.
9139—National Bank, Arendtsville, Pa.; capital, $25,000; Pres., S. G. Bucher; Vice-Pres., W. E. Wolff; Cashier, L. H. Rice.
9140—United States National Bank, Superior, Wis.; capital, $100,000; Pres., T. S. Beisecker; Vice-Pres., Peter Eimon; Cashier, A. J. Wentzel; Asst. Cashier, T. P. Bruden. Conversion of Union Commercial and Savings Bank.
9141—Seaboard National Bank, San Francisco, Cal.; capital, $250,000; Pres., R. J. Tyson; Vice-Pres's., W. H. Marston and H. E. Pennell; Cashier, J. E. Hall. Conversion of Seaboard Bank.
9142—First National Bank, Pampa, Tex.; capital, $25,000; Pres., J. R. P. Sewell; Vice-Pres., T. D. Hobart; Cashier, B. E. Finley.
9143—First National Bank, Brownstown, Ind.; capital, $50,000; Pres., Oscar S. Brooke; Vice-Pres., Albert H. Daneke; Cashier, Alex Greger.
9144—Security National Bank, Cheney, Wash.; capital, $25,000; Cashier, R. H. Macartney. Conversion of Cheney State Bank.
9145—Hailey National Bank, Hailey, Ida.; capital, $50,000; Pres., J. E. Cosgriff; Vice-Pres., J. C. Fox; Cashier, H. D. Curtis; Asst. Cashier, A. W. Ensign.
9146—First National Bank, Harrisburg, Oreg.; capital, $25,000; Pres., John Sommerville; Vice-Pres's., Wm. H. Dale and J. G. Senders; Cashier, Geo. J. Wilhelm.
9147—First National Bank, Blackduck, Minn.; capital, $25,000; Pres., F. P. Sheldon; Cashier, E. P. Rice.
9148—First National Bank, Valley Mills, Tex.; capital, $30,000; Pres., W. T. McNeill; Vice-Pres's., T. Simmons and J. H. Williams; Cashier, H. B. Sears; Asst. Cashier, C. E. Duke.
9149—National Bank, North East, Pa.; capital, $50,000; Pres., R. A. Davidson; Cashier, F. M. McDonald.
9150—National Bank, Oakesdale, Wash.; capital, $25,000; Pres., F. A. Davis; Vice-Pres's., W. A. Rolfe and J. L. Taggart; Cashier, N. A. Rolfe.
9151—San Juan County National Bank, Farmington, N. M.; capital, $25,000; Pres., R. P. Hopkins; Vice-Pres., Otto Behrend; Cashier, W. H. Harrington.
9152—Citizens' National Bank, Knightstown, Ind.; capital, $50,000; Pres., L. P. Newby; Vice-Pres., Frank J. Vestal; Cashier, Arthur L. Stage; Asst. Cashier, Reginald L. Bell.
9153—Commercial National Bank, Madison, Wis.; capital, $200,000; Pres., Adolph F. Menges; First Vice-Pres., Earnest A. Curtis; Second Vice-Pres., Chas. N. Brown; Cashier, A. O. Paunack.
9154—Peoples' National Bank, Clintonville, Pa.; capital, $25,000; Pres., C. E. Crawford; Cashier, H. J. Crawford.
9155—National Bank of Commerce, El Paso, Tex.; capital, $200,000; Pres., J. H. Nations; Vice-Pres's., John T. McElroy and James M. Goggin; Cashier, W. L. Tooley; Asst. Cashier, T. M. Quebedeaux.
9156—United States National Bank, Dinuba, Cal.; capital $25,000; Pres., G. W. Wyllie; Vice-Pres's., J. H. Ramm and M. A. Bennett; Cashier, C. C. Threlkeld.
9157—Burlingame National Bank, Burlingame Kans.; capital, $25,000; Pres., Chas. Lyons, Vice-Pres., B. E. Pratt; Cashier, E. J. Williams.
9158—First National Bank, Dinuba, Cal.; capital, $25,000; Pres., F. H. Wilson; Vice-Pres., E. Seligman; Cashier, W. J. Dechman; Asst. Cashier, Clarence Wilson. Conversion of Bank of Dinuba.
9159—First National Bank, Winslow, Ind.; capital, $25,000; Pres., Joel Bailey; Vice-Pres., Logan Robling; Cashier, Elmer W. Rust; Asst. Cashier, Chas. W. Bee. Conversion of Bank of Winslow.
9160—First National Bank, Edmond, Kans.; capital, $25,000; Pres., S. Larrick; Vice-Pres., Alma Larrick; Cashier, J. E. Larrick. Conversion of State Bank.
9161—First National Bank, Marion, N. D.; capital, $25,000; Pres., B. W. Schouweiler; Vice-Pres., W. H. Cox; Cashier, Wesley C. McDowell; Asst. Cashier, Lewis Baertsch. Conversion of First State Bank.
9162—First National Bank, Etowah, Tenn.; capital, $25,000; Pres., Thos. F. Peck; Vice-Pres., A. B. Bayless; Cashier, W. C. Reynolds; Asst. Cashier, S. M. Waldrop.
9163—First National Bank, Bradford, Ohio; capital, $25,000; Pres., Jacob E. Deeter; Vice-Pres., Alfred M. Brant; Cashier, J. A. Crowell.
9164—Union National Bank, Charlotte, N. C.; capital, $100,000; Pres., T. W. Wade; Vice-Pres., F. B. McDowell; Cashier, H. M. Victor.
9165—First National Bank, Roundup, Mont.; capital, $25,000; Pres., F. M. Wall; Vice-Pres., R. M. Calkins; Cashier, C. R. Cheney.
9166—Peoples' National Bank, Hot Springs, S. D.; capital, $25,000; Pres., J. F. Parks; Vice-Pres., S. L. Kirtley; Cashier, A. C. Forney.
9167—First National Bank, Orosi, Cal.; capital, $25,000; Pres., O. C. Goodin; Vice-Pres., Herman Beinhorn; Cashier, W. R. Pigg.
9168—Commercial National Bank, Cedar Rapids, Ia.; capital, $100,000; Pres., Jas. L. Bever; Vice-Pres., W. C. La Tourette; Cashier, J. L. Bever, Jr.
9169—Macomb National Bank, Macomb, Ill.; capital, $100,000; Pres., J. O. Peasley; Vice-Pres., Q. C. Ward; Cashier, Geo. H. Scott; Asst. Cashier, Geo. M. Wells.

9170—First National Bank, Brewster, Wash.; capital, $25,000; Pres., L. L. Work; Vice-Pres., Amos Tupper; Cashier, Roy Dorothy.

9171—First National Bank, Croton on Hudson, N. Y.; capital, $25,000; Pres., Leslie R. Palmer; Cashier, Fred L. Fox.

NEW STATE BANKS, BANKERS, ETC.

CALIFORNIA.

Oakland—Bank of East Oakland; capital, $25,000; Pres., Lloyd M. Robbins; Vice-Pres., S. S. Austin; Cashier, Hamilton Stites.

COLORADO.

Evans—Farmers & Merchants' Bank (successor to Bank of Evans); capital, $12,500; Pres., Jno. H. Behrens; Cashier, E. W. Balfour.

IDAHO.

American Falls—Evans State Bank; Pres., L. S. Evans; Vice-Pres., S. N. Morris; Cashier, H. C. Allen.

St. Joe—First State Bank; capital, $10,000; Pres., R. L. Rutter; Vice-Pres., A. W. Holmes; Cashier, F. G. Ranney.

ILLINOIS.

Browning—Farmers & Traders Bank; capital $15,000; Pres., C. B. Workman; Vice-Pres., John Schuetz; Cashier, L. H. Yeck.

Rockbridge—Rock Bridge Bank; capital, $10,000; Pres., C. W. Holnback; Vice-Pres., A. Tendeck; Cashier, F. A. Saunders.

Washburn—Peoples' Bank; capital, $25,000; Pres., W. G. West; Vice-Pres., J. F. Shepard; Cashier, L. F. Shepard.

Zion City—First State Bank; succeeded Zion City Bank; capital, $25,000; Pres., Chapin A. Day; Vice-Pres., Wm. G. Finn; Cashier, Duncan G. Bellows.

IOWA.

Luzerne—Luzerne Savings Bank; capital $12,000; Pres., A. F. Fatge; Vice-Pres., H. A. Radeke; Cashier, Martin Studt.

KANSAS.

Englewood—Home State Bank; capital, $10,000; Pres., Fred Taintor; Vice-Pres., Jake Lambert; Cashier, B. D. Dumbauld.

MICHIGAN.

Chelsea—Farmers & Merchants' Bank; capital, $25,000; Pres., J. F. Waltrous; Vice-Pres., Peter Merkel; Cashier, P. G. Schaible.

Dowagiac—State Savings Bank; capital, $25,000; Pres., E. Burt Jenney; Vice-Pres's., Harry B. Tuthill and Robt. Wiley; Cashier, C. A. Crawford.

Port Huron—W. F. Davidson.

Shepherd—Central State Savings Bank; capital, $20,000; Pres., C. D. Bell; Vice-Pres., J. L. Upton; Cashier, Wm. Anderson; Asst. Cashier, J. L. Faunce.

MINNESOTA.

Borup—Security State Bank; succeeded Bank of Borup; capital, $10,000; Pres., L. D. Foskett; Cashier, L. L. Larson.

Delano—State Bank; capital, $20,000; Pres., H. C. Bull; Vice-Pres., Wm. Ziebarth; Cashier, P. O. Skoglund.

Garvin—Farmers' State Bank; capital, $10,000; Pres., M. L. Peterson; Vice-Pres., T. P. Lien; Cashier, F. D. Pinckney.

MISSOURI.

Bynumville—Bank of Bynumville; capital, $10,000; Pres., J. T. Wilson; Cashier, P. H. Porter.

Columbia—Central Bank; capital, $35,000; Pres., W. T. Conley; Vice-Pres., Geo. B. Dorsey; Cashier Ira T. G. Stone; Asst. Cashier, Allen Park.

Crocker—Crocker State Bank; capital, $5,000; Pres., T. H. Turpin; Vice-Pres., H. A. Claiborn; Cashier, Chas. Ousley.

Laclede—Allen Benson Banking Co.; capital, $10,000; Pres., E. B. Allen; Vice-Pres., Rosa Louden; Cashier. E. E. Benson; Asst. Cashier, M. P. Benson.

NEBRASKA.

University Place—Citizens' State Bank; capital, $25,000; Pres., A. W. Wells; Vice-Pres., J. F. Spivey; Cashier, H. K. Frantz.

NORTH CAROLINA.

Durham—Farmers & Mechanics' Bank; capital, $10,000; Pres., R. B. Fitzgerald; Vice-Pres., John Merrick; Cashier, W. G. Pearson.

Elk Park—Citizens' Bank; capital, $5,000; Pres., A. P. Brinkley; Vice-Pres., H. T. Gorman; Cashier, W. H. Stapp.

NORTH DAKOTA.

Blaisdell—Blaisdell State Bank; capital, $10,000; Pres., P. J. Barry; Vice-Pres., W. J. Brugman; Cashier, J. J. Brugman; Asst. Cashier, B. J. Doran.

Manning—Dunn County State Bank; capital, $5,000; Pres., W. D. Richards; Vice-Pres., Robt. Wilcox; Cashier, W. P. Owens.

Stirum—Stirum State Bank; capital, $10,000; Pres., W. H. Cole; Vice-Pres., W. H. Malinson; Cashier, E. V. Lahr.

OKLAHOMA.

Bessie—State Bank; capital, $10,000; Pres., R. Behnke; Vice-Pres., H. A. Wiens; Cashier, H. C. Wallerstadt; Asst. Cashier, H. B. Wallerstadt.

Fort Towson—First State Bank; capital, $10,000; Pres., M. F. Bayless; Cashier, H. C. Wynn.

Kenton—Cimarron County Bank; capital, $25,000; Pres., H. J. Hammond; Cashier, S. H. Rixey.

Lawton—Oklahoma State Bank; capital, $25,000; Pres., W. H. Quinette; Vice-Pres's., Geo. M. Paschal and Guy C. Robertson; Cashier, A. R. McLennan.

Mead—First State Bank; capital, $10,000; Pres., E. P. Blake; Vice-Pres's., T. J. Hartman and R. C. Edelen; Cashier, Ben Fell.

OREGON.

Clatskanie—Clatskanie State Bank; succeeded Clatskanie Exchange Bank; capital, $15,000; Pres., C. H. Stockwell, Sr.; Vice-Pres., J. E. Hall; Cashier, C. H. Stockwell, Jr.; Asst. Cashier, Agnes Tichenor.

Cove—Cove State Bank; succeeded Eastern Oregon Trust & Savings Bank of La Grande; capital, $5,100; Pres., Geo. L. Cleaver; Vice-Pres., Frank Conley; Cashier, G. A. Stock.

SOUTH CAROLINA.

Calhoun Falls—Bank of Calhoun Falls; capital, $10,000; Pres., B. B. Gossett; Vice-Pres., Jas. P. Gossett; Cashier, H. V. G. Cooley.

SOUTH DAKOTA.

Meckling—Bank of Meckling; capital, $5,000; Pres., E. E. Halstead; Vice-Pres., H. G. Taylor; Cashier, C. S. Hoekstra; Asst. Cashier, Will F. Mikesell.

TEXAS.

Alvin—Citizens' State Bank; capital, $10,000; Pres., R. H. King; Vice-Pres., J. W. Carlisle; Cashier, Henry H. Houston; Asst. Cashier, S. B. Brown.

Bronson—Bronson State Bank; capital, $15,000; Pres., W. C. Arthur; Vice-Pres., J. N. Lewis; Cashier, S. L. Moore.

Friona—First State Bank; capital, $15,000; Pres., Geo. G. Wright; Vice-Pres., L. H. Russell; Cashier, M. R. Dick.

Hartley—Hartley County Bank; succeeded First Bank; capital, $15,000; Pres., G. F. Atkinson; Vice-Pres., R. S. Coon; Cashier, J. F. Anderson.

Hermleigh—City Exchange Bank; capital, $10,000; Pres., P. Y. Rea; Vice-Pres., J. R. Coker; Cashier, J. N. Board; Asst. Cashier, J. W. Hanna.

Nacogdoches—Farmers & Merchants' State Bank; capital, $25,000; Pres., R. D. Whittaker; Vice-Pres., Hollis Mast; Cashier, T. H. Nees.

WASHINGTON.

Blaine—Home State Bank; capital, $25,000; Pres., G. A. Willison; Vice-Pres., Paul A Wolten; Cashier, O. K. Middleton.

WISCONSIN.

Menominee Falls—Farmers & Merchants' Bank, capital, $15,000; Pres., Samuel A. Connell; Vice-Pres., Garvin A. Mace; Cashier, Albert H. Eckhardt.

CANADA.

ONTARIO.

Lions Head—Traders' Bank; Mgr., T. H. Pringle.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Birmingham—Citizens Savings Bank; W. A. Porter, Pres.; B. T. Head and M. Levy, Vice-Pres's.

ARIZONA.

Douglas—First National Bank; B. A. Packard, Pres., in place of George Mitchell.

Globe—Globe National Bank; W. A. Holt, Pres., in place of G. S. Van Wagenen, Ernest M. White, Vice-Pres., in place of J. H. Hamill; Patrick Rose, Vice-Pres.; C. M. Cushman, Asst. Cashier, in place of J. R. Todd.

Safford—Bank of Safford; D. W. Wickersham, Pres.; Geo. A. Olney, J. E. Solomon and J. N. Porter, Vice-Pres's.; E. W. Clayton, Cashier; J. S. Abbott, Asst. Cashier.

ARKANSAS.

Hoxie—Bank of Hoxie; J. E. Pringle, Pres.; E. P. Richardson, Vice-Pres.; A. G. Albright, Cashier.

Perry—First National Bank; no Cashier in place of C. E. Thomas; M. M. Creasey, Asst. Cashier.

CALIFORNIA.

Los Angeles—Bank of Los Angeles; merged with Miners and Merchants' Bank, under former title; capital, $200,000; W. B. Ames, Pres., Jno. A. Pirtle, Vice-Pres.; A. N. Lysle, Cashier; Ralph E. Dobbs, Asst. Cashier.—Home Savings Bank; consolidated with Manhattan Savings Bank, under former title.

San Francisco—United States National Bank; Theo. Reichert, Pres., in place of C. A. Hawkins; Emile Kahn, Vice-Pres., in place of W. F. Gurbank.

COLORADO.

Aspen—Peoples' National Bank; Henry Beck, Vice-Pres., in place of B. R. Kobey; R. C. Carr, Cashier, in place of E. F. Pumphrey; no Asst. Cashier in place of G. B. Folsom.

Ault—First National Bank; W. W. Brown, Vice-Pres., in place of E. T. Duffey.

Boulder—National State Bank; A. W. Border, Asst. Cashier, in place of G. C. Pollock.

La Junta—First National Bank; Chas. D. Stewart, Asst. Cashier.

Limon—Limon Bank; title changed to Limon State Bank; capital, $16,000; W. H. Wells, Vice-Pres.

Palisades—Bank of Palisades; W. V. Wright, Cashier, in place of D. L. Rusk, deceased.

CONNECTICUT.

Hartford—Hartford Clearing-House; J. G. Root, Pres.
New Haven—New Haven Savings Bank; Geo. J. Brush, Vice-Pres.
Winsted—Hurlbut National Bank; R. E. Holmes, Pres., in place of Henry Gay; W. T. Batcheller, Vice-Pres., in place of R. E. Holmes.

DISTRICT OF COLUMBIA.

Washington—Commercial National Bank; A. G. Clapham, Third Vice-Pres.—National City Bank; E. Q. Smith, Pres., in place of P. A. Drury; Edwd. S. Munford, Vice-Pres.; in place of F. T. Sanner; Edwd. S. Munford, Cashier, in place of A. G. Clapham; John Poole, Asst. Cashier, in place of R. E. White.—United States Savings Bank, J. L. Karrick, Pres.; Jas. M. Baker, Vice-Pres.

GEORGIA.

Augusta—Augusta Clearing-House Association; Patrick Armstrong, Pres.

IDAHO.

Caldwell—Western National Bank; L. S. Dille, Cashier, in place of S. D. Simpson.
Cottonwood—First National Bank; J. A. Schultz, Pres., in place of E. M. Ehrhardt; Jacob Matthiesen, Vice-Pres., in place of W. L. Brown; Geo. M. Robertson, Cashier, in place of Clyde McGinitie.

ILLINOIS.

Chicago—Fort Dearborn National Bank; Wm. A. Tilden, Pres., in place of L. A. Goddard.—Oakland National Bank; title changed to Oakland National Bank of Chicago.
Freeport—State Bank, Frederich Dorman, Pres.; Henry Baier, Vice-Pres.
German Valley—German American State Bank; H. W. Coffman, Pres.; L. Van Osterlso, Asst. Cashier.
La Salle—La Salle National Bank; Geo. A. Wilson, Pres., in place of W. B. Hummer; Wayne Hummer, Asst. Cashier.
Le Roy—First National Bank, C. E. Cope, Asst. Cashier.
Lincoln—First National Bank; Frank Frorer, Pres., deceased.
Paris—Citizens' National Bank; Edw. Levings, Pres., in place of J. W. Snyder; no Asst. Cashier, in place of Edw. Levings.
Rock Island—Rock Island National Bank; W. A. Rosenfield, Vice-Pres., in place of Mary E. Robinson.
Roodhouse—Roodhouse Bank; W. P. Gilmore, Pres.; W. H. Barrow, Vice-Pres.; C. W. Payne, Cashier; J. R. McCarthy, Asst. Cashier.

INDIANA.

Andrews—Bank of Andrews; title changed to State Bank; capital, $25,000; E. M. Wasmuth, Pres.; John Stouder, Vice-Pres.; R. O. Bixby, Asst. Cashier.
Huntingburg—First National Bank; Louis J. Poetker, Asst. Cashier.
Redkey—Bank of Redkey; J. S. Pierce, Pres., in place of Geo. N. Edger.
Seymour—Seymour National Bank; H. C. Johnson, Pres., in place of B. F. Price; J. S. Mills, Cashier, in place of H. C. Johnson.
Shelburn—First National Bank; J. F. Bolinger, Asst. Cashier, in place of H. V. Bolinger.
Terre Haute—Terre Haute National Bank; F. C. Fisbeck, Cashier, in place of Warren Hussey.

IOWA.

Cedar Rapids—Merchants' National Bank; Jas. E. Hamilton, Vice-Pres.; J. S. Broeksmit, Cashier, in place of Jas. E. Hamilton.
Des Moines—Citizens' National Bank; Wm. W. Maish, Asst. Cashier, in place of Geo. Cooper.
Marshalltown—First National Bank; C. C. St. Clair, Cashier; H. Gerhart, Asst. Cashier; H. S. Lawrence, Asst. Cashier.
Mount Pleasant—First National Bank; W. S. Judy, Cashier, in place of H. J. Twinting; Fred Van How, Asst. Cashier, in place of W. S. Judy.
Ottumwa—First National Bank; M. B. Hutchinson, Vice-Pres., in place of Geo. Haw.
Prescott—First National Bank; F. A. Outhier, Vice-Pres., in place of B. Newcomb; B. Newcomb, Cashier, in place of W. G. Perkins; W. G. Perkins, Asst. Cashier.
Silver City—Silver City State Bank; M. Kehoe, Cashier.
Waterloo—Central Bank; title changed to Cushman Central Bank; G. A. Doerfler, Vice-Pres.; E. G. Doerfler, Cashier; A. M. Cushman, Asst. Cashier.
West Grove—West Grove Bank; title changed to West Grove Savings Bank.

KANSAS.

Morland—Morland State Bank; J. L. Stanfill, Vice-Pres., in place of W. R. Cunningham.
Nortonville—First National Bank; L. B. Mc Bride, Cashier, in place of J. W. Harris.

Wichita—Fourth National Bank and National Bank of Wichita; consolidated under former title.

KENTUCKY.

Lexington—Lexington City National Bank; J. W. Stoll, Pres., in place of J. S. Stoll, deceased; Jno. G. Stoll, Vice-Pres.; J. E. McFarland, Cashier, in place of J. W. Stoll.

Louisville—Citizens' National Bank; Webster Moore and Jos. M. Zahner, Asst. Cashiers.

Mount Sterling—Exchange Bank of Kentucky; H. R. Prewitt, Pres.; B. Frank Perry, Cashier.

Paris—Deposit Bank; R. J. Neely, Cashier.

LOUISIANA.

Marksville—Avoyelles Bank; J. W. Joffrion, Pres., in place of E. J. Joffrion, deceased.

New Orleans—Bank of Orleans; Alfred Le Blanc, Vice-Pres., in place of Peter E. Hellwege.

MAINE.

Augusta—First National Bank; C. S. Hichborn, Pres., in place of L. Titcomb, deceased; T. A. Cooper, Cashier, in place of C. S. Hichborn.

New Castle—New Castle National Bank; Bradford A. White, Pres., in place of T. C Kennedy.

MARYLAND.

Snow Hill—Deposit & Savings Bank; O. M. Purnell, Pres., in place of Clayton J. Purnell, deceased.

MASSACHUSETTS.

Boston—Merchants National Bank; A. B. Silsbee, Pres., in place of Howard Stockton; A. P. Weeks, Vice-Pres. and Cashier. —National Union Bank; Wm. S. B. Stevens, Cashier, in place of G. H. Perkins.

Leicester—Leicester Savings Bank; Chas. T. Munroe, Pres., in place of J. O. Murdock, resigned.

Salem—Naumkeag National Bank; E. J. Fabens, Pres., in place of A. W. West; no Vice-Pres., in place of E. J. Fabens.

MICHIGAN.

Detroit—First National Bank; M. L. Williams, Pres., in place of John T. Shaw; John T. Shaw, Vice-Pres.; John T. Shaw, Cashier, in place of Frank G. Smith; Frank G. Smith, W. A. McWhinney and J. H. Hart, Asst. Cashiers.—Peninsular Savings Bank; capital increased to $500,000.

Durand—First National Bank; F. W. Lawrence, Cashier.

Flint—Genesee County Savings Bank; Jas. C. Willson, Pres.; H. C. Spencer, Vice-Pres.

Newberry—Newberry Bank; title changed to Newberry State Bank; capital, $25,000; F. P. Bohn, Pres.; L. H. Feod, Vice-Pres.

Norway—First National Bank; William Bond, Vice-Pres., in place of L. F. Springer.

Saginaw—Commercial National Bank; A. W. Field, Cashier, in place of M. O. Robinson; W. L. Paxson, Asst. Cashier.

MINNESOTA.

Aitkin—First National Bank; Freeman E. Krech, Vice-Pres., in place of A. R. Davidson; John A. Healy, Vice-Pres.

Baudette—First State Bank; John Dahlgren, Cashier, in place of J. R. Severtson, resigned.

Boyd—Boyd National Bank; N. A. Rouning, Cashier, in place of O. H. Bye; A. J. Flaa, Asst. Cashier, in place of U. A. Rouning.

Floodwood—Bank of Floodwood; title changed to First State Bank; capital, $10,000; M. H. Schusseler, Pres.; A. D. Haish, Vice Pres.

Hardwick—Farmers' State Bank; O. M. Gravatt, Cashier, in place of D. J. Ross, resigned; A. E. Lemke, Asst. Cashier.

Minneapolis—Northwestern National Bank; merged with National Bank of Commerce, under former title.

Morton—Bank of Morton; title changed to State Bank.

St. James—Citizens' National Bank; J. A. Sundt, Cashier, in place of H. M. Serkland.

Two Harbors—Bank of Two Harbors; title changed to Commercial State Bank; capital, $25,000; John Dwan, Vice-Pres.; H. B Perry, Asst. Cashier.

Wells—First National Bank; Geo. L. Schmitz Asst. Cashier.

MISSISSIPPI.

Heidelberg—Jasper County Bank; J. S. Morgan, Cashier, in place of C. A. Ferrell, resigned.

Natchez—Britton & Koontz Bank; A. B. Learned and F. C. Martin, Vice-Pres's.; C. B. Richardson, Jr., Cashier.

MISSOURI.

Altamont—Citizens State Bank; J. U. De Golia, Cashier, in place of J. T. Hudson.

Bosworth—First National Bank; C. F. Wurster, Cashier, in place of O. G. Kinsey.

Lockwood—Farmers' State Bank; C. S. Ring, Pres.; L. F. Evans, Vice-Pres.; U. S. Keran, Cashier; W. E. Evans, Asst. Cashier.

Maplewood—Bank of Maplewood; R. A. Swink, Pres.; A. J. Crum, Cashier.

St. Louis—Grand Avenue Bank; Francis A. Drew, Pres., in place of E. E. Magill, resigned.

MONTANA.

Ismay—First National Bank; Wilson Eyer, Cashier, in place of James Hunter.

NEBRASKA.

Beatrice—Beatrice National Bank; W. Robertson, Cashier, in place of H. H. Waite; D. W. Cook, Jr., Asst. Cashier.

Edgar—Clay County State Bank; C. A. Voorhees, Pres.; F. A. Voorhees, Cashier; J. W. McCue, Asst. Cashier.
Elmwood—First National Bank; Floyd L. Woolcott, Vice-Pres.; Edw. J. Jeary, Cashier, in place of Floyd L. Woolcott; no Asst. Cashier in place of Edw. J. Jeary.
Friend—Merchants & Farmers' Bank; C. E. Bowlby, Vice-Pres.
O'Neill—O'Neill National Bank; O. O. Snyder, Vice-Pres.; S. J. Weeks, Cashier, in place of J. F. O'Donnell.
Pilger—First National Bank; J. A. Schaberg, Cashier, in place of R. O. Brandt.

NEW HAMPSHIRE.

Farmington—Farmington Savings Bank; B. F. Perkins, Vice-Pres.

NEW JERSEY.

Burlington—Mechanics National Bank; no Pres. in place of Nathan Haines, deceased.
Lambertville—Lambertville National Bank; Frank A. Phillips, Cashier, in place of J. P. Smith; Jas. S. Studdiford, Asst. Cashier.
Newark—City Trust Co.; F. W. Hannahs, Pres., in place of Chas. Colyer, resigned.
Newton—Sussex National Bank; Theodore Simonson, Pres., in place of Theo. Morford, deceased.

NEW MEXICO.

Cutter—First National Bank; L. Clapp, Cashier, in place of J. A. Reed.

Nara Visa—First National Bank; D. L. Buchanan, Asst. Cashier, in place of O. O. Gragg.
Texico—First National Bank; Wm. Harvey, Cashier, in place of A. A. Maxwell.

NEW YORK.

Auburn—National Bank; G. B. Longstreet, Pres., in place of E. H. Avery; no Cashier in place of G. B. Longstreet; Chas. F. Stupp, Asst. Cashier.
Bath—Farmers & Mechanics' Bank; Frank Campbell, Pres.; W. R. Campbell, Vice-Pres.; Fred R. Webster, Cashier.
Ilion—Ilion National Bank; Geo. H. Watson, Cashier, in place of C. F. Comstock.
Jamestown—Farmers & Mechanics Bank; O. N. Rushworth, Pres.; C. A. Okerlind, Cashier.
Lake George—First National Bank; E. R. Ziebach, Vice-Pres., in place of A. B. Colvin.
New York City—Chase National Bank; S. H. Miller, Cashier, in place of E. J. Stalker; H. M. Conkey and A. C. Andrews, Asst. Cashiers.—Chelsea Exchange Bank; capital increased to $400,000.—Corn Exchange Bank; J. P. Dunning, Vice-Pres.—Grannis & Lawrence; title changed to Langley & Lawrence.—Metropolitan Trust Co.; Geo. N. Hartmann, Secy., in place of Jacob C. Klinck, resigned.—Walsh & Floyd; James W. Walsh, deceased.—Northern, Riverside and Hamilton Banks, consolidated, under title of Northern Bank.

NORTH CAROLINA.

Jefferson—First National Bank; W. C. Greer, Pres., in place of T. H. Sutherland; J. J. Thomas, Vice-Pres., in place of W. C. Greer; Harry Proctor, Asst. Cashier.

OHIO.

Cambridge—Guernsey National Bank; J. W. Scott, Cashier, in place of A. A. Taylor; no Asst. Cashier, in place of J. W. Scott.
Centerburg—First National Bank; T. D. Updike, Vice-Pres., in place of J. K. Daiden, deceased.
Cincinnati—Fifth National Bank; title changed to Fifth-Third National Bank; W. A. Lemmon, Vice-Pres., in place of J. M. Glenn; Edw. Seiter, Vice-Pres.; Monte J. Goble, Cashier, in place of Edw. Seiter; C. T. Perin, Asst. Cashier, in place of Monte J. Goble; L. E. Van Ausdol and F. J. Mayer, Asst. Cashiers.
Cleveland—Citizens Savings & Trust Co. absorbed Commercial Savings & Trust Co., under former title.—Cleveland Trust Co.; F. H. Goff, Pres., in place of Calvary Morris.
Croton—Croton Bank, H. B. Rusler, Pres.; W. A. Ashbrook, Cashier; C. L. McCraken
Fostoria—Commercial Bank & Savings Co.; Chas. Ash, Pres.; C. A. Gribble, Cashier; C. W. Latshaw, Asst. Cashier.
Loveland—First National Bank; Chas. Lockwood, Cashier, in place of R. I. Peak; Mr. Lockwood continues as Second Vice-Pres.; no Asst. Cashier in place of H. B. Peak.
Lowell—First National Bank; O. O. Kinsey, Cashier, in place of H. J. Hoffer.
Marietta—German National Bank; W. J. Speer, Cashier, in place of S. L. Augle; C. H. Nixon, Asst. Cashier, in place of W. J. Speer.

OKLAHOMA.

Bartlesville—Bartlesville National Bank; R. L. Beattie, Pres., in place of Wm. Johnstone; Ola Wilhite, Vice-Pres., in place of

R. J. Renn; G. R. McKinley, Cashier, in place of R. L. Beattie.
Eldorado—Farmers & Merchants National Bank; E. S. Goodlett, Asst. Cashier.
Hartshorne—First National Bank; U. E. Tuell, Vice-Pres., in place of F. C. Savage.
Luther—National Bank; title changed to First National Bank.
Muskogee—First National Bank; Jack L. Johnston, Vice-Pres.
Talequah—Cherokee National Bank; F. H. Gosman, Jr., Cashier, in place of H. B. Teehee.
Wetumka—American National Bank; E. D. Hall, Vice-Pres., in place of Geo. Appling.

OREGON.

Portland—Ladd & Tilton; title changed to Ladd & Tilton Bank: W. M. Ladd, Pres.; Edw. Cookingham, Vice-Pres.; W. H. Dunckley, Cashier; R. L. Howard, Asst. Cashier.

PENNSYLVANIA.

Avonmore—First National Bank; T. P. Sturgeon, Pres., in place of G. M. Hine; G. M. Hine, Cashier, in place of C. A. Hill.
Bradford—First National Bank; W. W. Bell, Pres., in place of F. W. Davis.
East Stroudsburg—Monroe County National Bank; J. N. Gish, Cashier, in place of N. S. Brittain; N. S. Brittain, Jr., Asst. Cashier.
Homestead—First National Bank; J. H. Williams, Pres., in place of Louis Rott; Chas. W. Ashley, Vice-Pres., in place of J. H. Williams.
Kittanning—Farmers National Bank; Geo. G. Titzell, Cashier, in place of G. W. Doverspike; Geo. B. Fleming, Asst. Cashier, in place of Geo. G. Titzell.
Mifflintown—Juniata Valley National Bank; J. Lloyd Hartman, Cashier, in place of T. Van Irwin.
Milton—First National Bank; G. C. Chapin, Cashier, in place of J. M. Caldwell.
North East—National Bank; O. C. Hirtzel, Vice-Pres.
Philadelphia—Rittenhouse Trust Co.; W. C. Fitzgerald, Treas., in place of Robt. B. MacMullin, resigned; Union National Bank and Consolidation National Bank, merged under former title; Louis N. Spielberger, Cashier; F. N. Hansell, Asst. Cashier.
Reading—Keystone National Bank; Jos. N. Wanner, Acting Cashier.
Swissvale—First National Bank; David C. Addie, Acting Cashier, in place of R. W. Drum, deceased.
Tionesta—Citizens National Bank; no Asst. Cashier in place of J. C. Bowman.
Washington—First National Bank; W. C. McBride, Pres., in place of S. M. Templeton; Robt. L. McCarrell, Vice-Pres., in place of D. M. Donehoo; no Vice-Pres., in place of J. W. Seaman; J. C. Baird, Cashier, in place of C. S. Ritchie.

RHODE ISLAND.

East Greenwich—Union Trust Co. (Branch of Providence); Howard V. Allen, Mgr., in place of S. M. Knowles, retired; Geo. R. Hanaford, Asst. Mgr.
Newport—Newport National Bank; Albert K. Sherman, Vice-Pres.

SOUTH CAROLINA.

Florence—Commercial Savings Bank; E. H. Lucas, Jr., Asst. Cashier; Farmers & Mechanics Bank, E. H. Lucas, Jr., Cashier, resigned.

SOUTH DAKOTA.

Brookings—First National Bank; Horace Fishback, Pres., in place of T. L. Fishback; H. F. Haroldson, Cashier, in place of Horace Fishback; E. H. Carlisle, Asst. Cashier, in place of H. F. Haroldson.
Florence—State Bank; S. P. Williamson, Pres.; J. A. Carlson, Cashier.
Frederick—First National Bank; C. B. Ainsworth, Cashier, in place of D. T. Lane.
Madison—Lake County Bank; Martin F. Berther, Cashier.
Vienna—First National Bank; no Asst. Cashier, in place of Oscar Fryslie.

TENNESSEE.

Dandridge—Jefferson County Bank; J. P. Hill Pres.; J. B. Franklin, Vice-Pres.; Leo L. Bowden, Cashier; A. M. Felknor, Asst. Cashier.

TEXAS.

Coleman—Coleman National Bank; no Cashier, in place of Q. V. Henderson, deceased; C. F. Dumas, Asst. Cashier.
Del Rio—Del Rio National Bank; no Vice-Pres., in place of J. H. Wiggins.

El Paso—City National Bank; N. S. Stewart, Pres., in place of Aug. G. Andreas; Aug. G. Andreas, Vice-Pres., in place of B. P. Michelson; J. F. Williams, Vice-Pres. and Cashier.

Georgetown—First National Bank; Sam W. Brown, Cashier, in place of O. A. Nelson; no Asst. Cashier, in place of Sam W. Brown.

Graham—Beckham National Bank; no Second Vice-Pres., in place of M. K. Graham.

Greenville—Greenville National Exchange Bank; F. J. Phillips, Pres., in place of W. A. Williams; Jas. Armistead, Vice-Pres., in place of F. J. Phillips.

Houston—Harris County Savings Bank; E. V. Long, Vice-Pres.—Lumbermans National Bank; H. M. Garwood, Vice-Pres., in place of W. E. Richards.

Mount Vernon—First National Bank; no Asst. Cashier, in place of Morris Fleming.

Olney—First National Bank; J. E. Harrell, Vice-Pres.; B. A. Wall, Asst. Cashier.

VIRGINIA.

Farmville— Planters Bank; Walter Scott, Cashier, in place of W. P. Venable; R. S. Warren, Asst. Cashier.

WASHINGTON.

Cheney—Security National Bank; W. J. Sutton, Pres.; Thos. H. Brewer, Vice-Pres.; J. E. Whalen, Asst. Cashier.

Kelso—First National Bank; H. Rostad, Cashier, in place of W. V. Kiebert.

Odessa—First National Bank; H. E. Christensen, Cashier, in place of W. P. Christensen; E. E. Glenn, Asst. Cashier.

Seattle—Dexter Horton & Co., Bankers, Capital increased to $1,000,000.

WEST VIRGINIA.

Clarksburg—Home Bank for Savings; James T. Drudy, Cashier, deceased.

Elm Grove—First National Bank; Chas. C. Woods, Cashier, in place of S. B. Chambers; W. B. Gilmore, Asst. Cashier.

Logan—Logan National Bank; S. B. Lawson, Pres., in place of Scott Justice.

Parkersburg—First National Bank; C. C. Martin, Pres., in place of J. .. Camden; H. H. Moss, Vice-Pres., in place of C. C. Martin.

Pennsboro—First National Bank; J. A. Leggett, Cashier, in place of C. H. Collins.

WISCONSIN.

Baraboo—Bank of Baraboo; H. Grotophorst, Pres., in place of Geo. Mertens; C. W. Whitman, Vice-Pres.

Platteville—First National Bank; E. Riege, Pres., in place of T. Jenkins, Jr.

WYOMING.

Meeteese—First National Bank; W. J. Deegan, Asst. Cashier, in place of Florence McIntosh.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

Little Rock—Capital City Savings Bank; placed in charge of Receiver.

CALIFORNIA.

Calistoga—Bank of Calistoga; reported closed.

Los Angeles—Consolidated Bank; closed June 5.

IDAHO.

Hailey—First National Bank; Charter expired by limitation May 21.

ILLINOIS.

Chicago—United States Trust Co.; liquidated June 1.

Ipava—Bank of Ipava; closed.

INDIANA.

Warsaw—Kosciusko County Bank; place in charge of a Receiver, June 28.

IOWA.

Washington—Citizens National Bank; in voluntary liquidation June 1.

KENTUCKY.

Dover—Citizens Bank; reported closed, June 22.

MARYLAND.

Baltimore—Southern Trust Co.; in charge of S. G. Horwitz, Receiver; Washington Savings Bank, reported closed.

MASSACHUSETTS.

Newton—Newton National Bank; in voluntary liquidation, May 15.

MICHIGAN.

Detroit—Commercial Nat. Bank; in voluntary liquidation, June 1.

OHIO.

Aberdeen—Aberdeen Banking Co.; place in charge of Receiver.

Cincinnati—Third National Bank; in voluntary liquidation, June 18.

OKLAHOMA.

Coalgate—International Bank; in charge of Bank Commissioner.

Tulsa—City National Bank, in voluntary liquidation, April 11.

PENNSYLVANIA.

Hazelhurst—Hazelhurst National Bank; in voluntary liquidation, May 26.

Philadelphia—Consolidation National Bank; in voluntary liquidation, June 8; Lincoln Savings & Trust Co., in charge of S. N. Hyneman, Receiver.

Pittsburg—Allegheny National Bank; in charge of Receiver, May 18; International Savings & Trust Co., reported closed.

TENNESSEE.

Coal Creek—Bank of Anderson County; reported closed June 20.

WASHINGTON.

Colton—Hilliard & Co.; reported closed.

RESUMPTION OF SUSPENDED BANKS.

ARIZONA.

Globe—Globe National Bank; resumed business May 23.

NEW YORK.

Brooklyn—Brooklyn Bank; resumed business June 23; Home Bank, resumed business June 5.

New York State Bankers at Frontenac Last Month.

THE
BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

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THE PRESIDENTIAL CANDIDATE.

NOW that the two great political parties have made their nominations and put forth their bid for popular support, it is possible to get some idea of the approaching canvass. Declarations made in party platforms are not without importance, since they foreshadow, in a general way, the position to be taken by the contending armies. But they hardly do more than this. The respective commanders, as the fight progresses, will have a great deal to say as to the details of the plan of campaign. The people, too, if they become really interested in what now promises to be a somewhat perfunctory contest, may upset the nice calculations of the political trimmers on either side.

Events also may occur before the election that will operate powerfully in affecting the result.

Discarding these uncertainties, however, there remain several factors that will have a strong bearing on the outcome of the campaign.

In the first place, the Republicans will have the most money, and if we are to accept as correct a paraphrase of NAPOLEON's dictum that Providence favors the party with the biggest campaign fund, the Republicans will have the advantage.

While there has been a great deal of noisy prosecution of wealthy malefactors, the majority of the offenders have retained their freedom, and the fines imposed upon them as a punishment for violating the laws of the United States have not enriched the public Treasury to an appreciable extent. It is half suspected that the prosecutions referred to have been more or less Pickwickian in character, or at all events as something in the nature of a warning to the "predatory corporations" that they must be good, or they will really get into serious difficulties.

What better evidence could there be of genuine repentance and an earnest desire for salvation than good fat contributions to the Republican campaign fund? These will be forthcoming at the opportune moment, no doubt; and thus, when the offenders have kissed the hands with which they have been smitten (though but lightly) an era of good feeling all round may be looked for.

Money, unquestionably, has a tremendous influence in carrying a Presidential campaign to a successful issue. Not that votes are bought to any great extent, but simply that money in a contest of this nature gives a weight in favor of the party having it, just as in business affairs.

If the money were contributed chiefly by the people who honestly desire the success of their party, no valid objection could be urged against the legitimate use of money in carrying elections. And it is generally recognized that most of the expenditures are entirely legitimate. Bands of music, speakers, halls, printing, and other like ways of working up enthusiasm, are

costly, and the money to meet these expenses must be found. If the partisans of either side prefer that mode of spending their cash, they should be allowed to follow their bent.

But a great deal of the funds used to carry elections does not come from so pure a source. Powerful financial interests who feel grateful for past favors and who entertain a lively expectation of still greater favors to come, do not begrudge the return of a small portion of their funds to those from whom they were derived. It is realized that contributions of this character will be productive of substantial benefits, provided the party receiving them should be successful.

It is hardly to be supposed that the so-called "malefactors of great wealth" expect to purchase "immunity baths" by making contributions to the Republican campaign fund. The most they can hope for is that they will have less to fear from the Republicans than they would if the Democrats should win. If Mr. Bryan were to become President, he would feel it incumbent upon himself to push the Roosevelt policy considerably further than it has yet been carried by President Roosevelt. On the other hand, Mr. Taft's judicial temperament and his common-sense observation of existing affairs will doubtless constrain him to be more cautious than the President has been or than Mr. Bryan would be. Yet this does not mean that law-breakers will gain anything by the election of Mr. Taft. On the contrary, his sound knowledge of the law may enable him to check the aggressions of the powerful corporations far more effectually than Mr. Bryan or President Roosevelt could possibly do.

As regards the qualifications of the two candidates, Mr. Taft is immeasurably the superior of his antagonist, possessing an administrative capacity probably unsurpassed by any living American. If the campaign were solely a contest between candidates, with all party issues laid aside, there could be no possible doubt of Mr. Taft's election.

PARTY principles, however, are to be fought over rather than the personalities of the nominees. If the Democrats are shrewd, they will stick to what the platform declares to be the overshadowing issue which manifests itself in all the questions now under discussion—shall the people rule?

The Republican party, with the exception of Mr. Cleveland's two terms, will have held unbroken power for forty-eight years on March 4 next when President Roosevelt's term expires. Counting out the eight years covered by Mr. Cleveland's Administration, the Republican reign has extended over a period of forty years. The party, especially in its earlier history, has had many worthy achievements to be set down to its credit, chief among which are the destruction of slavery, the restoration of the Union, and the return to specie payments. The tariff policy, whatever abuses may have developed in later years, has undoubtedly contributed largely toward our industrial independence.

But a long lease of power, and latterly the almost complete lack of a sane political opposition, have developed an arrogant spirit among the party rulers and a contempt for the public welfare. To-day the Republican party is not ruled by its apparent leaders. but by a small oligarchy that uses this once splendid organization for private gain. This element is immensely more potent than any man in the party, and until its evil power is broken but little hope can be entertained of legislation shaped in the people's interest.

In turning to the Democratic party for relief, it must be admitted that the people are about in the predicament of a man who is being robbed and who appeals to a lunatic for protection, and whose last state may be worse than the first.

Had Mr. TAFT not apparently shown a readiness to conciliate the interests that dominate the Republican party, and had depended upon the people's belief in his own ability and rugged honesty, he might have rescued his party from the clutches of the corrupt and unscrupulous element that now controls it. Even yet he may have the courage to defy the corruptionists and show that he means to be independent of them. No one doubts Mr. TAFT's conscientiousness, but he has displayed surprising political timidity, to say the least, and is apparently under the impression that the corrupt oligarchy within his party must be placated. As the campaign progresses, he may see his error. If he does not, the issue, "Shall the people rule" may become the dominant one. And upon that issue, once it is sharply raised, the verdict of the voters in November is likely to be in the affirmative.

UPON the currency question the Democratic national platform adopted at Denver last month could hardly be less satisfactory. Here is the declaration regarding this important issue:

"We believe that in so far as the needs of commerce require an emergency currency such currency should be issued and controlled by the Federal Government and loaned on adequate security to national and state banks."

It is hardly probable that any one but Mr. BRYAN himself could have been trusted to prepare the financial plank of the platform. The above quotation is worthy of the advocate of free silver coinage at the 16 to 1 ratio. We need hardly state that whoever its author was, he could not have had the most elementary conception of a bank-note currency.

The most we can say of the Democratic position upon the currency is that it equals the Aldrich-Vreeland law in unsoundness.

OWING to the experiences arising out of the late panic, the meeting of the Clearing-House Section of the American Bankers' Association, to be held in Denver, Colo., September 29, excites unusual interest. This meeting will offer an opportunity for the clearing-house officials of the United States to exchange information and views, and possibly to devise some method of co-operation in times of financial stress.

Even if nothing more should be done than to formulate some definite plan of action, to be ready when needed, this would mark an important step forward. Last fall, when the financial panic was raging, a delegation of bankers came to New York for the purpose of finding out how to go about the issuing of clearing-house certificates. Such knowledge ought to be possessed by every clearing-house in the country, ready for immediate utilization in time of need.

Perhaps so long as Congress refuses to pass any sensible currency legislation, the clearing-house certificate will have to be employed to mitigate the severity of panics; and if so, it would be well for the clearing-houses, acting unitedly, to devise the best possible method for perfecting the certificates. Anything like uniformity can hardly be expected, since the conditions to be met are dissimilar. But regulations could be formulated which would con-

duce to safety of issue, prompt retirement and enhanced public confidence in the clearing-house certificate.

Congress, in providing by legal enactment for the formation of national currency associations, has adopted a principle that might well be followed by the banks that are members of clearing-house associations. While there has been a disposition to confine clearing-house functions to the making of exchanges and settlements between banks, it may become necessary before long to widen the scope of these organizations. Already in several of the cities bank examination has been undertaken by the clearing-houses, and new functions may be added from time to time. The better utilization of bank reserves during a season of panic, the payment of interest on deposits, and other matters, could be regulated by united action of the principal clearing-house association of the country much more effectually than is now possible through the independent go-as-you-please policy of individual banks.

With respect to the issue of bank-note currency, either for emergency purposes or otherwise, probably the existing clearing-house machinery might have been found much more efficient than the national currency associations devised by Congress.

The increase of the number of national banks and the possibility that most of the State banks may at some future time find it advantageous to enter the national system, will perhaps make it necessary to permit the issue of bank notes only through some central authority. This necessity may arise on economical grounds alone. It is certainly expensive to issue bank notes through 6,000 organizations, and the expense and labor will be multiplied when the number of issuing banks grows to 10,000 and possibly to 20,000. This fact of itself will finally become one of the strongest arguments in favor of a central bank of issue. Those who oppose such an institution must recognize this truth and they must also have at hand a substitute for a central bank that will prove equal to such an institution in efficiency and that will not be open to objection on the score of monopoly or of control by a financial clique.

The clearing-houses have an opportunity of rendering a great service to the business interests of the country, and it is to be hoped that the meeting of the Clearing-House Section of the American Bankers' Association in Denver will take some definite action along practicable lines that will tend to insure greater efficiency on the part of our banking institutions.

DESPITE the mid-summer dullness in the speculative markets, signs of a revival of business continue to multiply. One of the most encouraging indications is the renewed demand for labor. This will shortly give rise to an increased demand for commodities and will bring prosperity to manufacturers and merchants. In the building trades there is a disposition to take advantage of the reduced cost of materials and labor, and a considerable increase in building activity is already to be noted.

The Presidential campaign may distract attention from business to some extent, but there is no valid reason why it should seriously frighten anybody. If BRYAN should be elected, he can not do much harm by his radical policies. The political complexion of the United States Senate will remain unchanged for the four years of the next Administration, and this will constitute a bar to any radical legislation.

Furthermore, Mr. BRYAN as President would probably be a great deal

more conservative than Mr. BRYAN the candidate. Very few sensible men fail in being sobered by the responsibility of great power.

With good crops this fall, the country ought to experience a gradual and healthy revival of business irrespective of the outcome of the election.

N his address before the recent convention of the New York State Bankers' Association Mr. ALEXANDER GILBERT, president of the New York Clearing-House Association, declared that panics are caused by excesses—too much speculation, over-expanded credits, excessive issues of stocks and bonds, and inflation of bank liabilities—all leading to a disregard of sound and careful business methods.

Mr. GILBERT stated that under a proper banking system the currency requirements of the country would be provided for, but he also pointed out that this would not relieve the abnormal demand for bank credit resulting from over-trading and over-speculation. To cope with such a demand the banks did not need authority to issue more currency. What they required was either the power to create more credit, or to take the opposite course—that is, to control, hold in check and gradually reduce the excessive trading and speculation. An increased supply of banking credit, Mr. GILBERT declared, would have increased the speculative fever unless it could have been combined with the application of a brake that would gradually have reduced the speculative pulse to normal.

Is not this check to be found in the rise of the interest rate? So long as credit may be had, at a price, panic can be averted, and if the price rises sufficiently, a slowing down of trading will result.

Have not our currency system, the method of redepositing reserves, and the intervention of the Treasury in the money market all operated to reduce the natural and healthful check on business activity that would follow a rise in the rate of interest?

SOUND money is always an issue, declares the "New York Sun." We should think it ought to be a very live issue in the coming campaign, since the Republican party has enacted a law authorizing the debasement of our currency by proposing to inject into it $500,000,000 of paper, not backed by an adequate gold reserve.

But we imagine that Mr. TAFT will not welcome that issue; for, if reports be true, he himself was one of the most ardent champions of this unwise and dangerous measure.

LEGISLATIVE interference with the processes of the courts may have to encounter an obstacle to which some of the advocates of that policy do not appear to have given much thought—that is the opposition of the courts themselves. It is not always easy to enact a law which a court may not overturn, if so disposed, on one ground or another. It can hardly be expected that the courts will welcome the restriction of their powers that would follow the adoption of the proposed limitation upon the right to issue restraining orders.

As the executive department of a government must retain a large degree of freedom from either legislative or judicial encroachments if its decrees are to have any force, so must the courts, if their authority is to be respected, be exempt from any curtailment of their powers that would bring them into popular contempt.

There is, of course, a remedy for

any abuse of judicial power, and that is by constitutional amendment, provided legislation should prove ineffective.

Both the Republican and Democratic platforms in bidding for the labor vote have made assaults upon the integrity of the courts, but before either programme can be carried out, the courts themselves may have something to say.

CLUMSY methods of bookkeeping are to some extent responsible for the bad showing recently made by the United States Treasury. Since the Government has embarked in the business of canal-building, a new item appears among the expenditures in the monthly statements of receipts and disbursements. But while the payments for canal construction are to be found included under the head of "public works," there is no corresponding entry among the receipts showing the cash derived from the sale of bonds to provide funds for constructing the canal.

As Mr. CHARLES A. CONANT says in a recent issue of the New York "Evening Post": "Either the object for which bonds are issued should not be included in ordinary expenditures or the money received for the bonds should be included in the receipts."

The Treasury statement in its present form is accurate so far as relates to the ordinary receipts and expenditures, but in failing to include receipts from the sale of bonds while carrying the disbursements made for the specific purposes for which bonds were sold, it is misleading. To continue this form of statement may give an erroneous impression of the Treasury's condition among those not conversant with the facts, and may lead to unnecessary solicitude as to the country's financial status. The defective methods of bookkeeping ought to be corrected before they are productive of annoying consequences.

FRANCE, with its enormous investment-seeking funds, is said to be practically indifferent to American securities. This can hardly be ascribed to a well-founded distrust of our best stocks and bonds nor to objections to them on the score that they yield an insufficient return on the amount invested. The real cause of indifference to our securities on the part of French investors is simply that they do not understand them. And American bankers have not thought it worth while to enlighten them.

In neglecting to cultivate one of the best security markets of the world, the Americans are not showing their usual shrewdness. If a steady market for our securities could be established in Paris, the strain on London and New York would be eased by distributing the holdings over a larger area. We should no doubt also find a readier market and obtain loans at more favorable rates.

To accomplish anything worth while will require time and patience and above all a thorough understanding of how the work is to be done. Yet the problem does not appear insoluble. The benefits that might flow from a better knowledge regarding American securities on the part of the investing classes of France could not fail of advantage to both sides.

SECURITIES are being manufactured in undiminished volume, notwithstanding the temporary setback caused by last fall's panic. According to the New York "Journal of Commerce" the output of new securities in

the first half of 1908 amounted to \$843,379,876, being an increase of \$43,758,776 over the corresponding period last year, and establishing a new high record.

It would seem to be a reasonable inference that the slowing down of enterprise would reduce the output of new securities, but this influence has been counteracted to a considerable extent by other factors. In the first place, the railroads had experienced difficulty in borrowing on satisfactory terms for some time prior to the panic, and in the second place the depression itself has resulted in an accumulation of funds which the railroads are now able to borrow at better rates than were offered before the October crisis.

While the actual issue of securities has been large, the total amount authorized in the first six months of 1908 —\$1,319,338,922—is still greater, and also establishes a new high record.

FINANCIAL AFFAIRS IN 1893 AND 1896.

EX-PRESIDENT CLEVELAND'S recent death recalls the notable financial events of his second Administration. The following account of them is from the New York "Evening Post":

The financial depression continued through the year 1893, Secretary Carlisle's several plans for relief failed; the gold reserve fell to \$70,000,000 in January, 1894, and President Cleveland finally determined to use his authority under the resumption acts and resort to bond issues. The first issue of \$50,000,000 five per cents. netted \$58,000,000, and the reserve was raised to \$107,000,000. The relief was only temporary, and in November, 1894, the reserve had fallen to \$61,000,000, and exportation and "hoarding" were decreasing it daily. In that month a second bond issue of the same amount and class as the first was put forth. In February, 1895, the reserve fell to \$41,000,000, and President Cleveland conferred with Messrs. August Belmont and J. Pierpont Morgan, representing a New York and London syndicate, and arranged for the sale of \$62,000,000 four per cent., thirty-year bonds, redeemable in coin. The purchase price was \$65,000,000.

This bond sale aroused a storm of criticism. It was darkly hinted that certain interests known to be friendly to the Administration had profited largely by the transaction, and more specifically that the President and Secretary Carlisle had sacrified the nation's credit for the sake of temporary relief by selling at 104 1-2 when the market price for existing United States four per cents. was 111. In partial answer to this criticism, it was pointed out that while the bond issues of 1894 had actually had the effect of drawing gold out of the country the contract with the syndicate contained an important provision which guarded against such a result, and which had been included in no previous contracts. This provision was as follows: "At least one-half of all coin deliverable hereunder shall be obtained in and shipped from Europe," and "the parties of the second part and their associates hereunder . . . as far as lies in their power, will exert all financial influences and will make all legitimate efforts to protect the Treasury of the United States against the withdrawal of gold pending the complete performance of this contract." Under this arrangement the gold reserve reached \$107,000,000 in July, but although over-speculation and the inability of the syndicate to keep the situation in control resulted in a reaction which led to another serious slump in the reserve, there had taken place a real recovery in trade and industry during the interval of reassurance that placed the financial footing of the country on a much firmer basis.

In his last annual message (December, 1895), the President recommended a scheme of general banking and currency reform, which included the retirement and cancellation of greenbacks and Treasury coin notes in exchange for low rate United States bonds. Congress, however, paid no attention to his recommendation, and the reserve having sunk again (January, 1896), to about \$60,000,000, it was necessary to resort once more to a sale of bonds. This time a more popular plan than that of the syndicate sale was adopted, and bids were invited for an issue of \$100,000,000 four per cent., thirty-year bonds in denominations of \$50. The sale was widely advertised, an appeal to the patriotism of the investor was made, with the result that the bids received reached a total of \$527,970,000.

THE BANKER IN LITERATURE.

A Paper Read Before The Bankers' Club of Des Moines, Iowa, by Johnson Brigham, State Librarian of Iowa.

IN a recent work including many able addresses on themes relative to Banking and Problems in Banking and Currency, the editor, Mr. Henry Walter Hull, in his preface well says:

> That the bankers' associations of this country have accomplished much that is praiseworthy from an educational viewpoint remains unquestioned.

After two years' fraternal, or at least cousinly, association with you in these monthly meetings, I am free to say—free because only a director and not a practical banker—that the Bankers' Club of Des Moines is an educator of rare value, especially to us laymen. If I could reach all the directors whose banks are represented here, I would urge them to attend these meetings and learn at first-hand what is going on in the minds of the men who have it in their power to make or mar their fortunes. Recalling the able papers and pointed discussions to which I have listened at your meetings, I am prepared to say of you, as Congreve said of a brilliant woman, that to know you (in this semi-convivial way) is "a liberal education."

I agree with Charles Francis Phillips in his introduction to the work above named, that the bankers' "habits of prompt determination, precise action, and watchful and energetic management, enable them to write with clearness and a conciseness which make it easy to grasp the ideas they enunciate and to understand and apply the lessons they desire to teach."

Further on, speaking of Finance, Mr. Phillips says: "Nothing is more closely associated with the whole range of contemporary development, and nothing is more easily complicated by general conditions."

This close association with contemporary development and the ease with which Finance is complicated by general conditions will be attested by every banker at these tables who recalls—and who can ever forget!—a certain blue Monday of last October, when all the wheels of trade seemed suddenly off their whirl!

Continuing the subject, Mr. Phillips takes this broad view:

> Whether for good or for evil, it [Finance] affects, and is affected by, the morals, laws, habits, ambitions, tastes, traditions and wants of the people whose transactions it adjusts and whose relations it so largely attempts to shape and to administer. It must, therefore, not be studied from a purely formal and arithmetical point of view, but from that of the complete activities, needs, prospects, character, and connections of the community whose interests it serves.

Speaking of the banker himself, he says:

> It is not alone with money and credit, with the clearings of the world's commerce and the support and extension of the world's utilitarian energies that he is concerned; he has to do with matters far more essential, which touch the most serious interests of individuals and operations, making for peace or war, for prosperity or misery, for progress or retrogression. He has a vocation among the most important of those assigned to men of action, and by his fidelity to which both humanity and Providence will very strictly judge him, as well in respect to what he accomplishes as in respect to what he fails to undertake.

It is evident that the banker's calling is one too large for the man who looks out upon the commercial world as a lion—or as a jackal—from his cage. It becomes more evident with every crisis, as in every season ot continued prosperity, that the banker must be a man of large view, of constructive ability, of imagination and sympathy large enough to put himself not only in place of the man in front of the

cage, but also in place of the entire community, the individual members of which, in one frame of mind or another, in one condition of finances or another, he can see standing in line, each waiting for him to pass upon his individual case. At times he must be even broader than that: he must resolve himself into the community in which his lot is cast and materially help to solve the community's problems. He must be broad enough to scorn the criminally narrow view of Cain—whose lame excuse was voiced in the unforgettable words: "Am I my brother's keeper?" He must see, as you were quick to see, a few months ago, that it is of vital importance that employers of labor are supplied with currency; that profitable enterprises are not stranded by temporary flurries; that city and state and national interests are not jeopardized by conditions unanticipated by the lawmakers. He must be large enough to see the far-reaching financial significance of the proverb of that first great promoter, Solomon: "There is that scattereth, and yet increases; and there is that withholdeth more than is meet, but it tendeth to poverty."

Again, in the same connection: "He that watereth shall be watered also himself. [Solomon was presumably innocent of all knowledge of modern processes of watering stocks.] He that withholdeth corn [he might have included currency on good collateral] the people shall curse him; but blessing shall be upon the head of him that selleth it. He that trusteth in his riches shall fall; but the righteous shall flourish as a branch."

But I fear I lay myself open to the charge of obtaining a hearing under false pretences. Be assured the lecture is over: I will now proceed to my theme.

SOME BANKERS IN HISTORY.

I.

If we would go back to the beginnings of the literature of banking, we must go back to the Chinese, with whom so many good things originated.

The first known work on finance is "The Examination of Currency," by the Chinese banker, Ma-twan-lin, published in 1321. In the highly poetical language of the Flowery Kingdom, bank notes were by him called "flying money." Some of us still find the term singularly appropriate!

Marco Polo, in the thirteenth century, and Sir John Mandeville, in the fourteenth, pioneers in the literature of travel, tell of the fiat money banker, Kublai Khan, showing that the autocrat of the East anticipated our modern fiatists by nearly seven centuries. Polo quaintly adds to his description: "Now you have heard the ways and means whereby the great Khan may have, and, in fact, has, more treasure than all the kings in the world."

Naturally enough, this fiat system of financing an empire and its emperor led to abuses. Mandeville, who followed Polo to Tartary, says:

> The Emperour may dispenden als moche as he wile withouten estymacioun. For he dispendeth not, he maketh no money, but the lether emprented, or of papyre. . .For there and beyonde hem thei make no money, nouther of gold nor of sylver. And therefore he may despende ynow and outrageously.

But the archeologists go many centuries back of Kublai Khan. We find the earliest banking house in history to be that of Egibi & Company, of Babylon. The records of this house when unearthed were found to be on clay tablets, kept in an earthen jar. Its commercial paper—paper by courtesy—was in clay and consequently non-negotiable!

Xenophon, the historian, throws a sidelight upon early banking in Greece, showing that the Athenian bankers paid four per cent. on deposits, and exacted anywhere from ten per cent. per annum to twenty-five per cent. per month—the rate presumably proportionate to the risk. The historian himself tried his hand at finance—and with the usual result when one with purely theoretical knowledge attempts the practical. He proposed the or-

ganization of a gigantic bank, absorbing all the private banks in Athens, which, after paying big dividends, would enable the city to build temples, chambers of commerce and wharves, making Athens for all time the commercial center of the world. The proposed absorption never took place—the private bankers, like one of Dickens's characters, refusing to be swallowed up!

The thrift and greed of the Greeks found lodgment in Rome. The old Latin comedies contain many allusions to wealthy and influential bankers—some of the allusions respectful; others mercilessly satirical. Cicero and Justinian in their turn attempted, and in part succeeded, in curbing the avarice of Rome's private bankers.

The letter of credit was slow to win its way in Greece and Rome. When Cicero sent his son to Athens, he wrote to Atticus inquiring whether or not it would be possible for the boy to procure a letter of credit that would be honored by Athenian bankers.

It is interesting to note that the famous mansion unearthed in Pompeii was that of a Pompeiian banker, the elegant furnishings of which indicate that the prehistoric banker conducted his business not wholly on a philanthropic basis!

The Medici of Florence.

My memory alights upon that famous body of bankers and promoters, the Medici, of Florence, who, though only private citizens, in their time were loved and hated, ardently wooed and savagely pursued; a family whose history is the history not alone of Florence but of Italy and much of continental Europe, whose banking house in Florence, with its sixteen branch houses in the principal cities of the continent, made terms with cities and nationalities, its final yes or no making and unmaking emperors and kings; a family whose loves and hates, weaknesses and strength, private and public demands and benefactions were the themes of historians, romancers and poets. Hallam illustrates the complete surrender of Florence to its bankers by stating that at one time the Medici, unable to realize on some of their foreign loans, saved themselves from bankruptcy by bankrupting their city. There was no fiction or poetry about that! Cosimo de Medici spent much time and money inculcating the philosophy of Plato; but he never forgot his collections—except in case of some poor devil of a poet or philosopher whose debt he chose to forget. In the matter of interest this house, like the railroads a few decades ago, was wont to "charge what the traffic will stand."

Boccaccio, Petrarch, Ariosto and other Italian poets and romancers, alternately burned incense at the Medician shrine and satirically smiled at the undue satisfaction with which their homage was received.

Lorenzo de Medici, late in the fifteenth century, evolved a Florentine plan which as a centralizer went one better than our Des Moines plan! He established a council in which absolute power was concentrated. It was composed of seventy citizens appointed for life, and all completely under his influence, so that from that time forth a banker, in the role of benevolent despot, held undisputed sway over Florence.

Early Banking in England.

As it is not my purpose to attempt in these pages a history of banking, I will proceed to jump from Rome to England. Passing over several centuries, I am halted by a work entitled "Discourse of Trade," by Sir Joseph Child, published in the seventeenth century, in which is coined the opprobrious word, "bankering," as follows:

> This gaining scarcity of money proceeds from the trade of bankering, which obstructs circulation, advances usury, and renders it so easy that most men, as soon as they can make up a sum of from £50 to £100, send it in to the goldsmith, which doth and will occasion, while it lasts, that fatal pressing necessity for money visible throughout the whole Kingdom, both to prince and people.

Sir John Lubbock, son of the great scientist, in an inaugural address as president of the Bankers' Institute of London, in 1879, shows how slow our English bankers are to discard old methods by relating that not until 1826 did the old wooden tallies entirely pass out of use. "The tally," says Lubbock, "was a willow stick, about five feet long, an inch in depth and thickness, with the four sides roughly squared." On one of the four sides. the amount of money involved was expressed in notches. On each of the two sides next to the notched side, the description of the payment was written. The stick was split in half through the notches, one half constituting the tally was given to the person making the payment, the other, the counter tally, was kept at the bank as a stub!

Lubbock tells us that bankers used to deposit their money for safe-keeping in the Tower of London; but Charles I. broke up the custom by seizing all the money there, some £120,000. Later, the Exchequer itself was closed by Charles II., and all the money in sight, £1,328,000, was seized.

Grammont, the historian, throws a curious light upon the career of Sir Robert Vyner, a goldsmith-banker of the time of Charles II., who became all too fond of that prince of good-fellows. One time the king dined with his banker friend, and finding Sir Robert warming toward him to an uncomfortable degree, stole away, but Sir Robert pursued him. Catching the king by the hand, he cried out with an oath, "Sir, you shall stay and take t'other bottle." The bibulous monarch, not averse to the punishment prescribed, repeated from an old song the line—

"He that's drunk is as great as a King"—

then turned back and resumed his seat. manfully emptying t'other bottle.

The banker's reward for his loyalty was the closing of the Exchequer and the confiscation of all Sir Robert's funds there on deposit.

Macaulay throws a side light upon the period following the overthrow of Charles I. He relates that the father of the poet Alexander Pope retired from business about the time of the Revolution, carrying with him into the country a strong-box containing about £20,000, from which he drew out from time to time the money needed to defray expenses—so far removed was that prime essential of banking—namely, confidence, from the minds of men of wealth after the confiscation of the Exchequer.

The highest compliment ever paid the bankers' profession was that of August Comte, who, in his "Positive Philosophy," declared that the supreme government of a country should be entrusted to three bankers who should respectively take charge of commercial, manufacturing and agricultural operations!

Lubbock gives to a minister of the Gospel the credit of originating the savings bank, thus accrediting that institution with the missionary spirit so noticeable to this day in the conduct of savings banks!

BANKERS AS CREATORS OF LITERATURE.

II.

Samuel Rogers—1763-1855. A biographer of Samuel Rogers, "the banker poet of England," suggests a reason why there are so few poets among bankers. He says that Rogers' greatest hindrance as a poet was his continuous prosperity! "From the beginning to the end of his life he was quite too comfortable for poetic thrills." If this theory be correct, then all you gentlemen need is a succession of black Fridays and blue Mondays to develop the thrills essential to poetic creation! But I remain of the opinion that poets are born--not made, and that while Rogers was born with fine sensibilities and keen appreciation, it was not in him, either as poet or banker, to set the world on fire. Rogers wanted to be a Presbyterian minister, but his father made him a banker. He dutifully

obeyed his father, though secretly bent on taking to the woods and becoming a poet. His literary career began in 1781 when, in his nineteenth year, he became a contributor to the "Gentleman's Magazine." At twenty-four he published anonymously his first book of poems. At twenty-nine he published anonymously the poem with which his name is oftenest associated, "The Pleasures of Memory." The poem hit the mild taste of the time, and strange as it seems to us now, it rapidly passed through fifteen editions. When he was thirty his father died and he became the head of his father's banking business, possessed of large wealth and an income of at least £5.000. His younger brother took to business, relieving him of the burden of banking details, thus leaving him comparatively free to indulge his taste for literature, arts and society. Like Dr. Johnson, he became more of a power as a leader of men socially than as a poet. His elegant home and profuse hospitality made him a person of much importance in his time. His record as a poet rests upon "The Pleasures of Memory," "Human Life," and "Italy," all written in the same tranquil strain—in measure suggesting Pope, Johnson and Goldsmith, his patron saints in literature. In his old age he was regarded as a Nestor among poets. Everybody prized his friendship and feared his enmity. His kindness as a patron, with his severity toward those who asked no favors of him, is, perhaps, over-illustrated by a remark of the poet, Campbell. When some one complained of Rogers' spiteful tongue, Campbell said: "Borrow five hundred pounds of him, and he will never say a word against you until you want to repay him."

Rogers' benevolence was not alone in giving money to the needy; it extended to kindly offices of friendship, and a generous use of his influence. In a letter from Tom Moore to John Murray, the publisher, we have a pleasant picture of the banker-poet as a man—always eager to serve a worthy person or help a good cause. It seems that Murray had offered Crabbe £3,000 for his works, and though the sum was a mine of wealth to the impecunious poet, friends acting as his agents declined the offer thinking to get a better one from a rival publisher. In that they failed, and Crabbe was disconsolate. In this crisis Rogers and Moore went to Murray and urged a renewal of the generous offer. Murray relented and the two withdrew from the publisher's office much elated.

"But," says Moore, "Rogers insisted that I should accompany him to Crabbe's lodgings, and enjoy the pleasure of seeing him relieved from his suspense. We found him sitting in his room, alone, and expecting the worst; but soon dissipated all his fears by the agreeable intelligence which we brought."

When the poet was eighty-one years old, an event occurred which somewhat disturbed the old man's serenity. One Sunday his bank was burglarized, and the sum of £50,000 was stolen from the vault. The man's temperament proved equal to the emergency. His promptitude prevented the cashing of the stolen notes. The Bank of England repaid them under his guaranty of indemnity, and after two years he recovered the notes by the payment of £2,500. Speaking of the incident at the time, the old man said, "I should be ashamed of myself if I were unable to bear a shock of this kind at my age."

In Dyce's Table Talk of Samuel Rogers, we find a few glimpses of the practical or business side of the poet's nature.

Lord Erskine heard of some one who had died worth £200,000; Rogers observed, "Well, that's a very pretty sum to begin the next world with!"

Here's a pointer for the banker of the period, whose daily mail is not complete unless it contains several fine opportunities to enhance his popularity by subscribing to worthy causes. To all letters soliciting his subscription,

Rogers approvingly quoted Erskine as replying in this form of words:

Sir, I feel much honoured by your application to me, and I beg to subscribe—here the reader had to turn over the leaf, only to find after the word "subscribe" the formal conclusion—"myself your obedient servant."

Matthias in "The Pursuits of Literature" refers to Rogers as the banker who "dreams on Parnassus." The allusion is to a letter to Mr. Pitt, in which Rogers said: "Things, Sir, are not changed. Time was when bankers were as stupid as their guineas could make them; they were neither orators, nor painters, nor poets. But now," etc.

"When literature is the sole business of life," Rogers is quoted as saying, "it becomes a drudgery; when we are able to resort to it only at certain hours, it is a charming relaxation." He adds: "In my earlier years, I was a banker's clerk, obliged to be at the desk every day from ten till five o'clock; and I never shall forget the delight with which, on returning home, I used to read and write during the evening."

Rogers' modesty, revealed by the anonymous publication of most of his literary work, is best seen in his refusal of the poet laureateship in 1850, after the death of Wordsworth.

David Ricardo—1772-1823. David Ricardo, the greatest English political economist since Adam Smith, served an apprenticeship in his father's banking-house, in London. When, at twenty-one, David renounced the Jewish faith that he might marry the woman of his choice, the elder Ricardo disowned him. But a true descendant of the seed of Abraham is far from discouraged by a hard throw in the first bout. It is related that within five years thereafter the thrifty David, with the sympathy and support of the chief members of the stock exchange, backed by his own rare coolness of head, mathematical power, sound judgment, and rare good luck, was enabled to take advantage of the financial disturbances of the time, and in less than five years he grew rich. In 1797, an event occurred which turned the current of his thought, and of the thoughts of millions as well. That event was the conjunction of an original thinker and practical man of affairs with a copy of Adam Smith's great work, "The Wealth of Nations." Ricardo's practical application of the knowledge thus acquired and suggested, led to the founding of a system of political economy which is with us to this day. No present-day political economist can afford to ignore Ricardo.

George Grote—1794-1871. The historian of Greece, pre-eminent in a well-worked field of literature, is George Grote, a London banker, who during a large part of his literary career was the active business head of the banking-house of Grote, Prescott & Co., Threadneedle street, London. His business life began at the age of sixteen. For ten years thereafter, he rode horseback to and from the bank and Beckenham, alternating the details of his father's business with studies in German, Political Economy, and the classics. His father had only contempt for his intellectual pursuits, and his mother only severe censure for the liberal tendencies of the boy's unpuritanical mind. Fortunately, at twenty, he became deeply interested in a young woman of fine mind and congenial tastes, whom he succeeded in winning after many discouragements and a wait of five years. The best "appreciation" of the historian's life and character was written by her soon after his death.

At the age of thirty-two, the brunt of the banking business was thrown upon him; but detail cares could not crush the scholar and author. Grote became an occasional contributor to periodical literature. He was a member of the Utilitarian Society of Philosophers and was wont to meet with them in a room donated them in his bank building. In 1825 he was one of the founders of the new University of London. In spite of the many other

claims upon his time, he gave the university that unremitting attention to details necessary to its success. His business experience and ability contributed largely to the raising of money and the organization of the enterprise.

Not until his fiftieth year was he free to enter upon continuous literary work. The first two volumes of his History of Greece appeared in 1845. The work was completed in 1856, when the author was sixty-two years old. Grote's long and successful working career, extending almost to the day of his death, has been attributed to the thoughtful provision made by his devoted wife for his rest and recreation outside working hours—a hint to bankers' wives!

The proverbial modesty of bankers—evinced in the recent search of two subcommittees for representative candidates for places on the new Des Moines Commission, the search including your honored president, Mr. Blair—was evinced by the banker-historian Grote, when in 1869 Premier Gladstone offered him a peerage as a tribute to his "character, services, and attainments." The heart of the old radical was honored by this recognition, but the honor was unhesitatingly declined.

Sir John W. Lubbock—1803-1865. One of England's greatest mathematicians and astronomers, Sir John W. Lubbock, was a banker and the son of a banker. Born in 1803, at the age of 22, he became a partner in the London banking-house of Lubbock & Company. Until 1860, he divided time between banking and science. The herculean tasks undertaken by this man of affairs in mathematics and astronomy would seem to have made it impossible for him to retain his interest in banking, or to give finances any portion of his time. But such was not the case. We find him not only an active member of all sorts of philosophical and scientific associations, but also treasurer of the Royal Society, Vice-Chancellor of the London University, a member of several legislative commissions—notably that on the standards of weights and measures.

At the age of 37, he succeeded to the baronetcy, and became sole working partner of Lubbock & Company. He guided the bank successfully through the panics of 1847 and 1857. In 1860 his house consolidated with another, taking the name Roberts, Lubbock & Co. His partial retirement from business then became total and permanent. At the age of 62 his all too busy life came to a close. He left behind him a fame as a contributor to the literature of science second to none of his time, and as a banker a name which stood for sterling honesty, jealous regard for the honor of his house and enthusiastic belief in the banker's mission. His eldest son, honoring the name of his father and grandfather, was for several years president of the Bankers' Institute of London, from whose inaugural address was gleaned much of the historical data contained in the earlier pages of this paper.

Walter Bagehot—1826-1877. One of England's great men who haven't yet come into the full measure of their well-earned fame, is the banker, author and political economist, Walter Bagehot.

Bagehot was a cynic, and cynics are slow to win appreciation. Leslie Stephen says he always scorned a fool, and then, with a quiet humor, adds: "In early days his scorn was not yet tempered by the compassion which is the growth of years—when we have come to know how many and what excellent people belong to the class."

Bagehot was in Paris in the revolution of 1848. He superintended the construction of the barricades, but only to amuse himself. He wrote he was revolted by the "sallow, sincere, sour fanatics behind them."

Bagehot's book on "The British Constitution," says Leslie Stephen, "came like a revolution; simply because he had opened his eyes and looked at facts"—a habit of bankers.

This versatile man of affairs and

author, at the age of twenty-six began to take an active part in his father's banking business. The practical experience and trained habit of observation and exhaustive analysis obtained in banking gave to his studies of economic questions rare practical value. His articles on "International Coinage," the "Depreciation of Silver," etc., collected after his death, have permanent value.

The banker's habit of taking nothing for granted—of looking into a situation as though the investigator were the original discoverer, is the distinguishing literary quality of Bagehot. Other writers on the British Constitution had been theorizing at a distance. Bagehot had actually seen the wheels of government go round and had scientifically studied their movement. He was the first practical man of affairs who had studied the Constitution as a banker studies a proposition for a loan.

Bagehot's "Lombard Street" is a vivid picture of the London banker in the concrete, "full of hopes and fires and passions"—as Stephen says. "The ordinary treatises had left us in the dull leaden cloud of a London fog, which, in Bagehot's treatment disperses, to let us see distinctly and vividly the human beings previously represented by vague, colorless phantoms."

Bagehot, in his shrewd way, thus sums up in a single sentence the true policy of banks in times of crisis: "What is wanted is to diffuse the impression that though money may be dear, still money may be had."

Fitz-Greene Halleck—1790-1867. The pioneer "banker-poet" of America was Fitz-Greene Halleck, born in Guilford, Connecticut, in 1790. When nearly twenty-one he went to New York to seek his fortune. About to embark for Virginia after vainly searching for work, he met Jacob Barker, a prominent New York banker, and was employed by him. In a letter to his sister in 1811 he gives us a picture of a typical banker's life at that early period. He writes that Mr. Barker "seldom comes to the office before ten in the morning; stays an hour; goes to the coffee house; returns at two; stays five minutes; goes to dinner; returns at five, and stays an hour and a half, and then goes home."

The sudden departure of a fellow clerk promoted young "Fitz" from the journal to the ledger, entitling him to the name bookkeeper, and giving him an authority over the other clerks; but he writes his sister he finds it "a painful pre-eminence, as it requires more care and attention than any other station in the counting-house."

Even then he was publishing verses anonymously in Boston newspapers. Like Byron's Corsair, the young man alternated "from toil to rest" (reading and writing poetry), finding "joy in every change." The New York "Evening Post" in time began to publish his poems anonymously, much to his secret satisfaction.

It occurs to me that possibly when a banker "drops into poetry" he has something of the feeling confessed by Silas Wegg, that poetry is just a little too much to be expected of a man of affairs; but with this difference: instead of charging double for poetry as was Wegg's practice as a reader, Halleck gave his verse away, but always anonymously. He was ever willing, if not eager, to own them after they had safely run through the literary clearing-house.

One of the most beautiful friendships among literary men is that which existed between Halleck and James Rodman Drake, a friendship made memorable by Halleck's beautiful memorial verse:

> Green be the turf above thee,
>   Friend of my better days!
> None knew thee but to love thee,
>   Nor namèd thee but to praise.

Many an ex-school boy who in his time has recited Drake's "American Flag," will recall the best lines in the poem which read:

Forever float that standard sheet!
  Where breathes the foe that falls before us,
With Freedom's soil beneath our feet,
  And Freedom's banner streaming o'er us!

It is interesting to note that Drake, not at all pleased with his own concluding lines, said, "Fitz, can't you suggest a better stanza?" Whereupon Halleck, on the spur of the moment, sat down and wrote the stirring lines just quoted.

The Greek simplicity and purity of the poet's early verse is perhaps best seen in "Alnwick Castle," that product of his tour abroad in 1822. Here is a sample stanza:

Wild roses by the Abbey towers
  Are gay in their young bud and bloom—
They were born of a race of funeral-flowers
That garlanded, in long-gone hours,
  A Templar's knightly tomb!

Poe, a merciless critic, pronounced this stanza "gloriously imaginative," and confessed himself "at loss to discover its parallel in American poetry."

I find in Halleck's biography a slender link connecting the venerable banker-poet of England with the young banker-poet of America.

In a letter to Halleck from his friend Cogswell, in which is related a conversation had in 1849 with Rogers, at one of his famous breakfasts, his host asked Lady Davy if she had read Halleck's poems, and when she answered no, responded, "Shame on you! He has written some things which no poet living has surpassed, and you shall not be ignorant of him any longer." With that he read passages of "Alnwick Castle," "Marco Bozzaris," and several shorter poems.

As often happens in literature, the poem by which Halleck is best known may almost be termed a by-product! When written it was not held in high esteem by its author. One evening he left at the lodgings of a friend his "Marco Bozzaris," and on the margin were his words, "Will this do?" He little thought that the verse would rank as one of the best martial lyrics ever written; that it would be translated into many languages, and that millions of his countrymen thereafter would recall his words as among the most thrilling memories of their youth. I still vividly remember the thrill with which I early approached the climax in the stanza:

An hour passed on—the Turk awoke;
  That bright dream was his last;
He woke—to hear his sentries shriek,
To arms! they come! the Greek! the Greek!
He woke—to die midst flame, and smoke,
And shout, and groan, and sabre-stroke,
  And death-shots falling thick and fast
As lightnings from the mountain-cloud;
And heard, with voice as trumpet loud,
  Bozzaris cheer his band:
"Strike—till the last armed foe expires;
Strike—for your altars and your fires;
Strike—for the green graves of your sires;
  God—and your native land!"

And then that solemn concluding stanza:

Come to the bridal-chamber, Death!
  Come to the mother, when she feels,
For the first time, her first-born's breath;
  Come when the blessed seals
That close the pestilence are broke,
And crowded cities wail its stroke;
Come in consumption's ghastly form,
The earthquake shock, the ocean storm;
Come when the heart beats high and warm,
  With banquet-song, and dance and wine;
And thou are terrible—the tear,
The groan, the knell, the pall, the bier;
And all we know, or dream, or fear
  Of agony, are thine.

But to the hero, when his sword
  Has won the battle for the free,
Thy voice sounds like a prophet's word;
And in its hollow tones are heard
  The thanks of millions yet to be.

In this connection occurs a pleasantry indulged by the facetious Halleck in a letter to General Wilson, afterwards his biographer. Speaking of the story printed in the papers that "Marco Bozzaris" had been written by him on a wager with his wife—he being a confirmed old bachelor—he says:

My position seems to be the reverse of that of the gentleman in "Joe Miller" who, when a friend said to him, "I was not aware until recently, of your having been horsewhipped by Mr. ———, last June," answered, "Indeed, I knew it at the time!"

In a letter answering one of his critics, Halleck adds this pleasantry:

> As John Wilson said, when he knocked a man down at Ambleside, I hope to make myself understood now.

After the publication of his first volume in 1827, the bank clerk found himself in that dangerous position—a favorite in society. While some of us might have been spoiled by his "dozen invitations a week," Halleck was not. In a letter to his sister, speaking of his nights out, he said: "They do not interfere with business or other daily pursuits." He adds this comment, which will sound familiar to some of you who are not distinctively society men:

> It is pleasant enough while one is there, but to an indolent person, hardly enough to compensate for the trouble of dressing.

The bank clerk could not resist the temptation to pleasantry even on the occasion of a brother poet's death, to which occasion he gives a touch of business, by alluding to death as—

> The debt, the only one,
> A poet ever pays.

After eighteen years with Jacob Barker as confidential clerk, the banker met with reverses which compelled him to let Halleck go.

That Halleck's value as a banker was not perceptibly affected by his verse-making habit may be inferred from Mr. Barker's tribute to his associate. Years afterward, he wrote:

> Mr. Halleck was so useful that it would have been difficult for me to have done without him.

In 1832, Halleck entered the counting-house of John Jacob Astor, then reputed to be the richest man in America. For sixteen years he enjoyed the entire confidence of his employer. To the millionaire banker's credit, it should be said that he took pleasure in letting the world know that he felt honored by the friendship of Irving and Halleck, and that their wealth of intellect was regarded by him as an offset to their inequalities of fortune and opportunity.

The traditional modesty of our poet was illustrated at a dinner given the literary men of New York, at which Irving read a letter from Rogers praising Halleck's verse. The letter was followed by cries for "Halleck." A friend said, "For God's sake, Fitz, get on your feet!" But the diffident Halleck clung to his chair, for the very good reason—which some few of you may possibly understand—that, when he undertook to speak on his legs, as he once remarked, "the brains ran to his heels."

Halleck could indulge in cutting satire as well as pleasantries. Tuckerman relates a rejoinder by Halleck which shows the man's contempt for artificial distinctions. He was a member of a select club that dined together at the old City Hotel on Broadway. One day when a sudden silence followed the entrance of the landlord, it was proposed to elect the host a member of the club, that the members might talk freely when thus interrupted. The host was an honest and intelligent man, a good fellow, and prided himself on serving roast pig in a style that would have rejoiced the heart of Charles Lamb. The only man who opposed the proposition was a merchant who had made his fortune by a monopoly on the trade in bristles for brushes. His objection was that Boniface could roast a pig but was not a fit associate for gentlemen. Halleck coolly retorted that he could see no essential difference between spurs won from roasting a porker or those won by selling his bristles. Amid the laughter of his confreres, the landlord was elected.

Astor died in 1848, remembering his associate with a rather meagre legacy—an annuity of $200; but the bachelor at 58 found no reason to complain—certainly none when, soon after, William B. Astor added a gift of $10,000 which sum with his own savings and the annuity left the bachelor free from sordid cares.

The friendly and familiar relation

between banker and bard is shown by a remark Halleck once made when Astor refused to subscribe to a charitable object, on the ground that at present he had no money. Halleck coolly remarked, "Mr. Astor, if you're out of money, I'll endorse your note for a few hundred dollars!"

General Wilson says Astor once informed him that Halleck was an excellent man of business—rapid, reliable in figures and with an excellent memory for all transactions that came under his notice; a favorite with all his associates, regular in attendance, reaching the counting-room at eight, or very soon after, and always leaving precisely at two o'clock.

Thirty-eight years after the youthful Halleck left Guilford, the man of affairs returned to his old home to spend his last days. The record he had made for himself as a man of business was that he was never absent from the banking-house for many days at a time; never taking even a fortnight's vacation.

At a dinner given Halleck by The Century Club of New York, in 1853, William Cullen Bryant, who presided, spoke of Halleck as the American Horace, crediting him with having the same gayety and grace in his satire and the same curious felicity in his lyrics.

Halleck's modesty and aversion to sham remained with him to the last. When solicited by a pretentious professor for support as a lecturer and for references on architecture, he smilingly replied that he had never read but one work on architecture, and that was "The House That Jack Built."

Halleck enjoyed repeating the comment of a shrewd merchant, that a poet is "a man who has soarings after the infinite, and divings after the unfathomable, but never pays cash."

Halleck's farewell visit to the city he loved so well, in October, 1867, was saddened by the certainty that he would never see his friends again. To his devoted friend and biographer, General Wilson, his last words were: "If we never meet again, come and see me laid under the sod of my native village." On the 22d day of November, '67, Fitz-Greene Halleck, at the age of 77, was buried in the village cemetery, his venerable sister and cousin, both eighty years old, were the chief mourners. But there were hundreds of villagers and literary and business friends from the metropolis to whom his death was a deep sorrow. The poet had at last found, as his favorite Spenser says:

> The porte of reste from troublous toyle,
> The world's sweet inn from paine and
> wearisome turmoyle.

Edmund Clarence Stedman, 1833-1908.—Among American bankers of our day no one has reflected upon literature so much of dignity and glory as Edmund Clarence Stedman, whose life closed on the 18th of January last. Stedman is one of the few permanently great poets of America. He is more than that: he is the foremost of America's literary critics. Stedman's literary appreciations are as much a part of the prose literature of our time as were the Hazlitts' in their time. His "Victorian Poets," published in 1875, is as much alive as it was a year after its appearance. On this much be-written theme he has left us by far the most keenly critical and at the same time most kindly appreciative work that has found its way into print. This was followed in 1886 by his equally able, and, for him—because of his lack of ample perspective—more difficult work, "The American Poets." The third of his great critical works, "The Nature and Elements of Poetry," appeared in 1892.

Of the many library collections of English verse of the last century, Stedman's "Anthology" is perhaps the most thumb-worn. While the relative space given this, that and the other poet in any anthology must necessarily be more or less disappointing to the reader who has his favorites—and who has not?—yet the general judgment is that, with a banker's close and critical estimate of values, he did his work well—better than most students of literary

values could have done. As a poet Stedman had a fineness of touch somewhat like that of Thomas Bailey Aldrich and Richard Watson Gilder; but yet in quality it is unlike that of any other American poet. Like Mr. Aldrich and Mr. Gilder, the banker-poet of America had demonstrated the fact that a poet can be distinctively American without being outlandish!

Stedman was born in Hartford in 1833. He entered Yale at 20. While there he foreshadowed his career by winning a first prize in poetry. Like Shelley, his student career was foreshortened by the faculty; but, unlike Shelley, he didn't let the foreshortening seriously affect his outlook on the world. In 1869 the Yale authorities tardily repented their severity, and though he had long before ceased to need or care for honor, he was restored to his class roll and given the master's degree. In 1863, after a successful career as a war correspondent for the New York "World," he suffered financial reverses which inclined him to give up journalism that he might put money in his purse. He therefore took that sure road to wealth—the banker's gilded way! Twelve years of prosperity satisfied him. Before he had had time to acquire the lust for power through wealth, possibly feeling the first encroachments of the plutocratic madness of our time, he forsook the strenuosity of Wall Street for the peaceful shades of retirement, and the first substantial product of his retirement was the "Victorian Poets." The poem which best reveals the banker-poet behind the lines is his "Pan in Wall Street"—a happy blending of the Greek style and the American spirit:

PAN IN WALL STREET.

Just where the Treasury's marble front
  Looks over Wall Street's mingled nations:
Where Jews and Gentiles most are wont
  To throng for trade and last quotations;
Where, hour by hour, the rates of gold
  Outrival, in the ears of people,
The quarter-chimes, serenely tolled
  From Trinity's undaunted steeple,—

Even there I heard a strange, wild strain
  Sound high above the modern clamor,
Above the cries of greed and gain,
  The curbstone war, the auction's hammer;
And swift, on Music's misty ways,
  It led, from all this strife for millions,
To ancient, sweet-do-nothing days
  Among the kirtle-robed Sicilians.

And as it stilled the multitude,
  And yet more joyous rose, and shriller,
I saw the minstrel, where he stood
  At ease against a Doric pillar:
One hand a droning organ played,
  The other held a Pan's-pipe (fashioned
Like those of old) to lips that made
  The reeds give out that strain impassioned.

'Twas Pan himself had wandered here
  A-strolling through this sordid city,
And piping to the civic ear
  The prelude of some pastoral ditty!
The demigod had crossed the seas,—
  From haunts of shepherd, nymph, and satyr,
And Syracusan times,—to these
  Far shores and twenty centuries later.

A ragged cap was on his head;
  But—hidden thus—there was no doubting
That, all with crispy locks o'erspread,
  His gnarled horns were somewhere sprouting;
His club-feet, cased in rusty shoes,
  Were crossed, as on some frieze you see them,
And trousers, patched of divers hues,
  Concealed his crooked shanks beneath them.

He filled the quivering reeds with sound,
  And o'er his mouth their changes shifted,
And with his goat's-eyes looked around
  Where'er the passing current drifted;
And soon, as on Trinacrian hills
  The nymphs and herdsmen ran to hear him,
Even now the tradesmen from their tills,
  With clerks and porters, crowded near him.

The bulls and bears together drew
  From Jauncey Court and New Street Alley,
As erst, if pastorals be true,
  Came beasts from every wooded valley;
The random passers stayed to list,—
  A boxer Aegon, rough and merry,
A Broadway Daphnis, on his tryst
  With Nais at the Brooklyn Ferry.

A one-eyed Cyclops halted long
  In tattered cloak of army pattern;
And Galatea joined the throng,—

A blowsy, apple-vending slattern;
While old Silenus staggered out
From some new-fangled lunch-house handy,
And bade the piper, with a shout,
To strike up Yankee Doodle Dandy!

A newsboy and a peanut girl
Like little fauns began to caper;
His hair was all in tangled curl,
Her tawny legs were bare and taper;
And still the gathering larger grew,
And gave its pence and crowded nigher,
While aye the shepherd-minstrel blew
His pipe, and struck the gamut higher.

O heart of Nature, beating still
With throbs her vernal passion taught her,—
Even here, as on the vine-clad hill,
Or by the Arethusan water!
New forms may fold the speech, new lands
Arise within these ocean-portals,
But Music waves eternal wands,—
Enchantress of the souls of mortals!

So thought I,—but among us trod
A man in blue, with legal baton,
And scoffed the vagrant demigod,
And pushed him from the step I sat on.
Doubting I mused upon the cry,
"Great Pan is dead!"—and all the people
Went on their ways;—and clear and high
The quarter sounded from the steeple.

SOME NOTABLE BANKERS IN FICTION.

III.

Having dipped here and there into history and biography, in the development of my subject, let me conclude with a few references to the banker as he stands out in fiction and poetry—in other words, as he has impressed himself on the minds of workers in the fields of imagination.

Bankers never were popular with literary folk, for reasons best known to themselves—and their bankers! Until recently there were among litterateurs very few financially "well-fixed" Rogerses, Lubbocks, Hallecks and Stedmans. Most of them in their time found it harder to look the banker in the face than stand in the presence of kings.

Speed, in his sixteenth century history of Great Britain, speaks of a historic character as "embogging himself in the Bankers and Usurers Bookes."

Benbrigge, a century later, thus satirizes them: "Neither Banke nor Bankers . . . can conceive they suffer any losse by . . . lending to the poor freely; because what they can even give . . . is lent in usury to the Lord."

The Bank of Venice, founded in 1171, came too late to serve Shakespeare's Merchant of Venice. Had the bank been in operation, doing business for legitimate profits, and not, as was Shylock, "for blood," the Doge and his Council of Ten would have accepted his sureties and loaned him the "necessary ducats"—and Shylock's occupation would have been gone.

Dickens's Bankers.—I recall four bankers in Dickens's aggregation of characters—each one in a class by himself. Turning to "Little Dorrit" we renew our acquaintance with Mr. Meagles, retired banker. Dear old Meagles, good-natured and benevolent, but priding himself most of all on being a practical man, and therefore not so kind and benevolent as he seems! We follow him through Italy in pursuit of health for his darling daughter, and in turn pursued by unrelenting officers of quarantine. After all sorts of experiences he gravely declares that he'd as soon have a spit put through him and be stuck upon a card in a collection of beetles as lead the life he has of late been leading, shut up in quarantine. Parting company with his fellow sufferers at Genoa, he banquets them, making a speech which concludes with a bumper of champagne. Of all the minor characters in "Little Dorrit," dear, old unpractical Meagles, with his insistence that he is practical or nothing, is the most enjoyable.

In the same novel, we make the acquaintance of Mr. Murdle, a veritable master of high finance, who, like many a master in the creative art of making something out of nothing—or a resemblance to something of solid value out of little, or nothing, and that diluted with water—goes to smash, dragging down with him all sorts and conditions

of people who have banked upon his name. Though the most silent of men, Murdle's strange weakness is society. He gives dinners and parties with great industry and method. He never seems to be having a good time, going through the formal part of his social duties as a solemn-visaged penitentiary warden might listen to prisoners' complaints. Men and women are wont to pursue him with trusts of all sorts—and, with seeming indifference, he accepts them all—when accompanied by the cash.

When the Murdle equipage stops before the newly rich Mr. Dorrit's hotel door, there is commotion in the hotel. Everybody turns out to see the great banker. Hear Dickens ironically rave over him:

> Murdle! O ye sun, moon and stars, the great man! The rich man, who had in a manner revised the New Testament, and already entered into the Kingdom of Heaven. As he went up stairs, people were already posted on the lower stairs, that his shadow might fall upon them when he came down.

Murdle has come to offer his services as an investor of Mr. Dorrit's inherited fortune, modestly drawing from Mr. Dorrit profound gratitude—and cash. The ride by the side of the great banker is to the vain old man the realization of a rapturous dream—"to find himself set aloft in this public car of triumph," on his way to golden Lombard Street!

When Murdle commits suicide the general verdict as to the cause is "pressure." Everybody averse to work echoes the word "pressure." This was before the more picturesque term "brain-storm" had been invented. The first popular verdict lasts several weeks, and then the word gives way to the harsh terms "forgery" and "robbery." Finally, he, the object of adulation, the patron of patrons, "the shining wonder, the new constellation to be followed by the wise men bringing gifts," . . . is recalled as "simply the greatest forger and the greatest thief that ever cheated the gallows"—an experience in a measure paralleled by a recent case of suicide in our own state.

Let us take a snap-shot at Josiah Bounderby, the Coketown banker, a prominent character in "Hard Times." Bounderby is a fit son-in-law of Gradgrind—a big man made out of coarse material, which seems to have stretched to make so much of him. The skin of his face seems so strained as to hold his eyes open and lift up his eye-brows; apparently inflated like a balloon, and ready to start. Bounderby is always bragging of his former ignorance and poverty.

If there's any one thing Dickens liked better than another it's a feast—whether it be a club affair, a wedding or a christening, with the British accompaniment—a speech, stupid or clever—the stupider the better! At the wedding breakfast of Joe Bounderby, the bachelor of fifty, and Louise Gradgrind, a twenty-year-old sacrifice to filial dutifulness, Bounderby rises and thanks those present for the honor done him and his fair bride, but he warns them against expecting a speech from a man of his antecedents. He is only a plain, blunt man "who when he sees a post says 'that's a post,' and when he sees a pump says 'that's a pump,' and is not to be got to call a post a pump, or a pump a post, or either of them a toothpick." "However," he adds, "if I feel a little independent when I look around this table to-day, and reflect how little I thought of marrying Tom Gradgrind's daughter when I was a ragged street-boy who never washed his face unless it was at a pump, and that not oftener than once a fortnight, I hope I may be excused." He admits he is very glad he has married Tom Gradgrind's daughter. He has watched her bringing up and believes she is worthy of him! "At the same time," he adds, "not to deceive you, I believe I am worthy of her. So I thank you, on both our parts, for the good will you have shown towards us; and the best wish I can give the unmarried part of the present company is this: 'I hope every bachelor may find as good

a wife as I have found. And I hope every spinster may find as good a husband as my wife has found.'"

Mr. Lorry, in the "Tale of Two Cities," is a delightful picture of a man of deep feeling encased in the formalities of his calling and held to strict service by respect entertained for a great house. We first see him in a coffee house in Dover, where he is waiting the coming of Miss Manette, whom he is to escort to Paris. He is promptness itself, the loud ticking of his watch under a flapped waistcoat sonorously preaching a sermon on punctuality. His face, habitually suppressed, is lighted by a pair of moist bright eyes that it must have cost their owner in years gone by some pains to drill to the composed and reserved expression of Tellson's Bank. His face, though lined, bears few traces of anxiety. "But," says the philosopher behind the story, "perhaps the confidential bachelor clerks in Tellson's bank were principally occupied with the cares of other people; and perhaps second-hand cares, like second-hand clothes, come easily off and on."

In delivering himself of his message, by way of preface, Mr. Lorry says: "In your reception of it, don't heed me any more than if I was a speaking machine--truly, I am not much else."

Farther on, speaking of feelings, Mr. Lorry says: "Feelings! I have no time for them. I pass my whole life, Miss, in turning an immense pecuniary mangle."

I suspect the author of "Tale of Two Cities" must have had many a chuckle over his cleverness in picturing the unconsciously humorous character of Mr. Lorry, of Tellson & Company's bank.

THACKERAY'S NEWCOME BROTHERS.—Thackeray's popular novel, "The Newcomes," brings to the front Clive Newcome's uncles, eminent London bankers. Arthur Pendennis, who is telling the story, writes:

> If all the private accounts kept by those worthy bankers were like mine, there would have been no Newcome Hall and Park Lane, Marble Head and Bryenstone Square.

Arthur managed by great self-denial to maintain a balance of two or three guineas at the bank, so that his account might remain open; and he fancied the clerks grinned when he drew a check. Rather than face that awful counter, he would send Larkins, or Mrs. Flanagan, for the money. "As for entering the private parlour at the back, wherein behind the glazed partition," he "could see the bald heads of the Newcome Brothers engaged with other capitalists," he "would as soon have thought of volunteering to take an armchair in a dentist's studio."

The late Major Pendennis, uncle of Arthur, used to reprove the youth for his fears, assuring him that "bankers like to keep every gentleman's account," and that it was a mistake to suppose they were civil only to their great moneyed clients. "Look at me," he would say, proudly. "I go in to them and talk to them whenever I am in the city. It looks well, sir, to stand well with your banker."

The Major advises Arthur to attend Lady Ann Newcome's evening parties. "Between ourselves, my good fellow," the shrewd old Mentor would say, "Mrs. Newcome's parties are not altogether select; but it gives a man a good air to be seen at his banker's house."

Arthur accepts the advice and attends, whenever he is bidden to the feast, but he always fancies, from Lady Newcome's patronizing manner to him, that she knows he has but thirty shillings on deposit.

Sir Brian Nwcome has a bald head and light hair, a short-cropt whisker, a buff waistcoat, very neat boots and hands. He is bland, and smiling, yet dignified. Hobson Newcome is like his brother, but more so! He allows his red whiskers to grow wherever nature has planted them. He wears thick shoes with nails in them, with tight trousers. He affects the country gentleman. One of his eccentricities is the habit of chewing corn or beans. "If the day was fine, he would say it was good weather for hay; if it rained

the country wanted rain; if it was frosty, 'No hunting to-day, Tompkins, my boy'," and so forth.

He is a better business man than his stately brother, and he is wont to admit that a man must get up very early in the morning to take him in. The two make a good foil for that best of all Thackeray's old-men characters, Colonel Newcome.

Charles Reade's Story of "An Old Bank."—That inimitable raconteur, Charles Reade, has injected into "Love Me Little, Love Me Long" a story of "An Old Bank," which is as clever in its way as is Victor Hugo's "Battle of Waterloo" in its way—and has one point in its favor which cannot be made for the brilliant episode in "Les Miserables,"—it is true to history. Introducing to the reader Mr. Richard Hardie, a formidable contestant for the hand of Miss Fountain, the author presents him as a man with a genius for common-sense in finance, and proves it, too, by relating his successful part in the financial crisis of 1817, and by his masterly analysis of the panics of 1719 and 1793.

A Meredith Creation.—George Meredith, in "Rhoda Fleming," tells an uncanny story of an old and trusted confidential clerk, in Boyne's Bank, London, whose imagination plays sad havoc with his reason. Anthony Hackbut never counted the cash, but his mind became excited over the thought of possession—not so much for himself as for the respect he would command as a moneyed man. His tastes were simple, his income was ample, his savings were considerable, and yet his imagination would picture the glories of possession. His weakness was in the desire that men should fall down and worship him—a weakness with its inconveniences. For instance, his farmer brother vainly sought his help and came to the conclusion that his brother was a miser. Anthony's great fear was that he might die first, and so reveal to his brother the mild fraud he had been practicing. He preferred to be thought miserly than poor. You may have occasionally met an Anthony Hackbut in the course of your banking experience!

One day while Anthony was carrying two great bags of gold, exulting in even temporary possession, he met his niece Rhoda, who having been led to suppose the gold was his, begged him to quit his miserliness and give her the money she greatly needed to help the man in the case. The old man's mind became dazed by the girl's flattering assumption of his wealth, and not being a miser at heart, in a moment of frenzy he slit the sides of the bags with his penknife, and out came the gold in torrents. "Uttering laughter that clamored fiercely in her ears for long minutes afterwards, the old man brandished the empty bags and sprang out of the room." His reason, weakened by long arguments with the devil over the gold, had given way.

Miss Mulock's Run on the Bank.—Do you remember the run on the bank in "John Halifax"? At a banquet given by Halifax, news came that a London bank with which the local bank had placed its surplus funds had failed. The village banker, an aged man, fainted on hearing the news. General consternation ensued.

The run on Jessop's bank was inevitable. Halifax looked up, when spoken to, "to see, instead of those two lines of happy faces, faces already gathering in troubled groups, faces angry, sullen or miserable."

You can see the picture; the painfully silent departure of the guests, "formal congratulations given with pale lips and wandering eyes; brusque adieux, as some of the more honest or less courteous showed but too obviously how cruelly, even resentfully, they felt the inequalities of fortune; hasty departures, full of dismay that rejected angrily every shadow of consolation."

The scene changes to the front of the village bank, where are collected "a great eager, but doggedly quiet crowd," each with an "individual terror to hide," or "an individual interest

to fight for, and cared not a straw for that of any one else."

John's eyes wander pitfully over the heaving mass of anxious faces, blue with cold. He finds the banker in his home, bowed with grief and dejection. He asks and is given the broken-spirited man's confidence, relieved to find the bank solvent, though seriously crippled and with almost no funds to meet the demand.

The gentry are impatiently waiting the banker and the foremost men in the crowd are hammering at the front door of the bank. Halifax writes a notice, and Jessop and he sign it, assuring the crowd that the bank will reopen without fail at one o'clock. John rides over to Coltham and returns on time, with a great ugly, grimy canvas bag full of gold. Many who have been scrambling to reach the counter, put their notes back in their pockets and walk out. Others, chiefly women, get their notes cashed, picking up the gold with trembling hands. A few who came to close accounts change their minds, and even make deposits. The run is over.

Our Own David Harum.—Without coming down to the fiction of "Frenzied Finance," most of it ephemeral, I will presume upon your patience just a little further, by referring to our mutual friend, "David Harum." You remember how some ten years ago the word went from mouth to mouth, "Have you read David Harum"? And if the answer was "no," then came the quick rejoinder, "You must read it." Well-nigh forgotten is the temporarily heart-rending love story; but, in the foreground of the memory is the author of the new Golden Rule—which I see I shall not have to repeat! That inimitable first chapter sold the book. There is nothing in American humor more clever than this character picture. The applicability of David's sayings to the personal side of the banking business impresses one who has listened to the various phases of human—very human—nature as unconsciously revealed by the men and women who take their turn with the banker. Let me recall a few of David's best "horsey" aphorisms:

Ev'ry hoss c'n do a thing better 'n' spryer if he's ben broke to it as a colt.

When you got a balker to dispose of, you can't always pick an' choose.

"Was it a horse?" asked Mrs. Bixbee, referring to the animal the deacon had worked off on David.

"Waal," David replied, "mebbe it had ben some time, but at that partic'lar time the only thing to determine that fact was that it wa'n't nothing else."

It's slow work sittin' behind a balky hoss.

Some hosses will balk with some folks, an' not with others.

After I'd got the hoss where I c'd handle him I begun to think I'd had some int'restin' experience, an' it wa'n't scursely fair to keep it all to myself.

He [the deacon] wanted that hoss more'n a cow wants a calf.

Describing Timson, the clerk whose place young John had come to take. David said:

Allowed he'd been drawin' the hull load, did he? Waal sir, the truth on't is he never come to a hill yet, 'f't wa'n't more'n a foot high, but what I had to git out an' push; nor never struck a turn in the road but what I had to take him by the head and lead him to it.

David was honesty and liberality itself in his personal relations with his neighbors; but, as he explained to the bewildered John:

A hoss-trade aint like anythin' else. A feller may be straighter 'n a string in ev'rythin' else, an' never tell the truth—that is, the hull truth—about a hoss. I trade hosses with hoss-traders. They all think they know as much as I do, an' I dunno but what they do. They haint learnt no diff'rent anyway, an' they've had chances enough. If a feller come to me that didn't think he knowed anythin' about a hoss, an' wanted to buy on the square, he'd git, fur's I know, square treatment. But when one o' them smart Alecks comes along and cal'lates to do up old Dave, why he's got to take his chances, that's all.

Without further wearying you with a formal conclusion, let me simply say in closing that if, for a single hour

only, I have succeeded in diverting my banker friends, enabling them to forget for the time "the cares that infest the day," and if, at the same time, I have in any measure widened the range of their vision and given them a somewhat broader view of the possibilities within the range of their great calling, I shall feel well paid for the several over-time hours I have put upon this apparently unworked field.

IDENTIFICATION CARDS.

In Germany the postoffice issues, at a nominal expense, identification cards, which can be obtained without the least trouble at the postoffice in the place where the applicant resides. The cards are useful in obtaining registered or other mail and for purposes of identification generally.

POSTAL CHECKS IN GERMANY.

CONSUL WILLIAM BARDEL, of Bamberg, reports that since the passage of the law by the Reichstag, in the latter part of February, 1908, to promote the payments of accounts by bank checks throughout Germany, the Bundesrath (Federal Council), in order to meet the requirements of the middle classes and small business people, resolved to introduce the following system of paying accounts by postal checks:

Any individual, firm, public authority, or organization can participate in this postal-check system. Application for participation can be made at a postal-check bureau or at a regular post-office. The applicant has to make an original deposit of not less than 100 marks ($23.80), which has to remain the minimum balance of his account. There is to be no limit as to the maximum extent of a deposit.

The depositor can dispose, at any time, of the balance due him over the fixed deposit of 100 marks, by drawing checks or by a request for transfer of certain sums from his account to other postal-check accounts. The postal-check bureau is required to notify each depositor of payments received or made for him. A depositor has the right to withdraw his account entirely at any time. In case of unseemly use of the account the postal-check bureau has the privilege of canceling the account. The Government is not to derive any financial benefit from this postal-check system, as only the cost of it is to be covered by small dues.

Costs of Service—Deposits Guaranteed by Government.

The dues to be collected for the service are to be as follows:

(1) For every cash deposit of 500 marks ($119), or any part thereof, 5 pfennigs (1.19 cents); (2) for withdrawals in cash one-eighth "pro mille" of the amount withdrawn and a fixed tax of 5 pfennigs; (3) for any transfer from one postal-check account over to another, the amount of 3 pfennigs (.714 cent).

If the account of a depositor exceeds 600 book entries per annum there will be charged, besides the dues mentioned, an extra due of 7 pfennigs (1.67 cents) for every entry to be made beyond 600. The collection of dues and of the charges for check forms is made by deductions on the respective accounts. The notifications of the check bureaus and of the post-offices to the depositors, as also between the check bureaus and the post-offices, are to be considered official business, and therefore free of postage.

For a start, postal bureaus are to be established in Breslau, Berlin, Cologne, Danzig, Frankfort, Hamburg, Hanover, Karlsruhe, and Leipzig.

In order not to have it appear that this postal check system is to encroach on the business of savings banks and credit associations, the deposits will bear no interest.

The Reichbank (Imperial Bank) assumes the administration of the money for account, and at the risk of the Government. Considering that the balances of these accounts have to be held ready for withdrawal at any and all times, a large part of the money safeguarded by the Reichsbank will have to be invested in values which can easily be converted; particularly in gilt-edged inland or foreign notes, payable in gold. In order that the sources from which these deposits will principally come will be benefited the most, a part of the fund is to be given by the Reichsbank, against sufficient security and interest, to institutions for advancement of industry, commerce, and agriculture.

This decree so far only covers the imperial postal territory, to which Bavaria and Wurttemberg do not belong as yet; but it is expected that by January 1, 1909, when this system is to be introduced, the two named countries will introduce the same system and on the same basis as this. After a few years of practical experience the Reichstag will be enabled to form this decree into a law.

MASSACHUSETTS SAVINGS INSURANCE AND ANNUITY BANKS.

By Louis D. Brandeis.

THE project of attaching a Life Insurance Department to savings banks, which was described in the BANKERS MAGAZINE of December, 1906, has been enacted into law and is now being put into operation.

The savings bank at Whitman, in Southeastern Massachusetts, was the first to establish an Insurance and Annuity Department, and the first policy was issued on June 22, 1908. The People's Savings Bank of Brockton, of which Ex-Governor Douglas—a strong supporter of the movement—is president, will soon follow. A rapid extension of the system throughout the State is probable. For under the law any savings bank may serve its community as well by becoming an agency for another savings insurance and annuity bank as by establishing a department of its own; and a bank acting as agent merely is relieved of the necessity of providing the guaranty funds and of considerable special insurance work required of the principal.

The law also provides for the appointment of other agencies, for instance, manufacturing, mercantile, or other business concerns, as well as trade and other organizations; so that the people in any part of the State may secure the privileges of the new system without awaiting action by the local savings banks.

The introduction of the Savings Bank Insurance System was designed primarily to furnish wage-earners with cheaper life insurance, by doing away with the huge waste incident to solicitation and weekly house to house collection of premiums under the system practiced by the industrial insurance companies. The pamphlet recently issued by the Massachusetts State Actuary, entitled "Who will pay your wages when you are old and grey?" points clearly to the large saving and the great benefits which will accrue to the wage-earner under the Savings Bank Insurance System. But the annuity feature of the plan is apt to prove of even greater benefit not only to the workingman, but also to the employer and the rest of the tax-payers.

In every industrial community the necessity of introducing some adequate system of old age annuities is becoming recognized. Germany adopted compulsory old age insurance, dividing the burden between the employer, the employee and the State. England is turning to old age pensions leaving the burden to be borne by general taxation,—a kind of poor relief. Neither system can be deemed satisfactory. Under the Massachusetts Savings Bank Insurance and Annuity Law an attractive alternative is offered. The old age insurance is voluntary instead of compulsory; the superannuated working man becomes independent instead of dependent; general taxation is to be relieved of the rapidly increasing charge of the "veteran of industry" instead of being further burdened.

The Massachusetts plan can, of course, succeed only through educating the community to a recognition of both the necessity of making some adequate provision for the wage-earner's old age and the great advantages which the savings bank system affords. People must be made to appreciate the obvious truth that the cost of living includes a daily setting aside of such sum as will adequately provide against the contingencies of the future—as by life insurance against premature death, and by old-age insurance against superannuation; that such *pro rata* amount is a fixed charge upon the workingman's living as much as the percentage for depreciation is a fixed charge upon a

INSURANCE AND ANNUITY POLICY.

Insurance Payable at Death Prior to Age 65, Annuity Commencing at Age 65.

The figures below show the most you will have to pay, and the least you will get. All the profits go to the policy holders.

Age next Birth-day.	AMOUNT OF INSURANCE AND ANNUITY FOR MONTHLY PREMIUM OF 25c.		50c.		75c.		$1.00		$1.25	
	Ins.	Ann.	Ins.	Ann.	Ins.	Ann.	Ins.	Ann.	Ins.	Ann.
18......	$124	$24	$248	$49	$372	$75	$496	$99		
19......	119	24	238	48	357	72	476	95		
20......	115	23	230	46	345	69	460	92		
21......	111	22	222	44	333	67	444	89		
22......	107	21	214	43	321	64	428	86		
23......	103	20	206	41	309	62	412	82		
24......	100	20	200	40	300	60	400	80	$500	$100
25......	96	19	192	38	288	58	384	77	480	96
26......	93	18	186	37	279	56	372	74	465	93
27......	89	17	178	36	267	54	356	71	445	89
28......	86	17	172	34	258	52	344	69	430	86
29......	83	16	166	33	249	50	332	66	415	83
30......	80	16	160	32	240	48	320	64	400	80
31......	77	15	154	31	231	46	308	62	385	77
32......	74	14	148	30	222	44	296	60	370	74
33......	71	14	142	28	213	43	284	57	355	71
34......	68	13	136	27	204	41	272	54	340	68
35......	65	13	130	26	195	39	260	52	325	65
36......	62	12	124	25	186	37	248	50	310	62
37......	60	12	120	24	180	36	240	48	300	60
38......	57	11	114	23	171	34	228	46	285	57
39......	54	10	108	22	162	33	216	43	270	54
40......	51	10	102	21	153	31	204	41	255	51
41......	49	9	98	20	147	29	196	39	245	49
42......	46	9	92	19	138	28	184	37	230	46
43......	44	8	88	18	132	26	176	35	220	44
44......	41	8	82	17	123	25	164	33	205	41
45......	39	7	78	16	117	23	156	31	195	39
46......	36	7	72	15	108	22	144	29	180	36
47......	34	6	68	14	102	20	136	27	170	34
48......	32	6	64	13	96	19	128	26	160	32
49......	30	6	60	12	90	18	120	24	150	30
50......	27	5	54	11	81	16	108	22	135	27

manufacturer's machinery; that any workingman who does not make this provision is not self-supporting, but is preparing burdens for his family or the community to bear; and that the savings banks with their extended functions furnish an adequate opportunity for making the necessary provision.

The Massachusetts plan is in its essence merely an attempt to make the people thrifty. But it is not an idle attempt to merely preach that virtue. The plan aims to make saving popular by giving to the saver all that his money can earn, and to make it common by providing opportunities of saving money as numerous as the existing opportunities for wasting it.

The Massachusetts savings banks have no stockholders; and the Insurance and Annuity Department will be operated wholly for the benefit of the policyholders, just as the depositors now get the benefit of all the earnings made from ordinary deposits. The State Actuary shows that under this

Savings Bank System a young man can get life insurance *plus* an annuity for less than he has hitherto paid to the industrial insurance companies for insurance *alone*.

"Suppose you are 25 years old and pay to the savings bank $1.30 each month and your neighbor who is the same age pays $1.35 each month to the insurance company.

"When you reach age 65, you will have no more deposits to make. Instead of making deposits you will begin to receive an annuity of $100.

"While you are enjoying the fruits of your saving, your neighbor will still be paying $1.35 every month to the insurance company and he will have to continue paying this amount until he is 75 years old.

"Which would you rather be—your neighbor or yourself?"

The maximum premiums to be charged and the minimum benefits to be received on such a policy are shown in the accompanying table.

As stated, the above figures represent the *maximum* premiums and the *minimum* benefits. All the profits of the Insurance and Annuity Department, except so far as applied to building up guaranty funds, are to be distributed among the policyholders.

Widespread education as to the advantages of the Savings Bank Insurance and Annuity System is of course essential to its success. But in this necessary work long strides have already been taken. The long and enlightening campaign which preceded the passage of the act resulted in a wide discussion of the subject in every part of the State. Nearly three hundred labor unions, many business and charitable organizations, and many of the leading manufacturers, merchants and financiers of Massachusetts joined in urging upon the Legislature the passage of the law. Daniel G. Wing, president of the First National Bank of Boston; Thomas L. Livermore, vice-president of the Calumet & Hecla Mining Co., and James J. Storrow, of Lee, Higginson & Company, are among the vice-presidents of the League formed to promote the movement. James L. Richards, president of the Massachusetts Gas Companies, and P. F. Sullivan, president of the Boston & Northern Street Railway, are among the members of the General Committee, and Robert Winsor, of Kidder, Peabody & Company; F. B. Sears, vice-president of the Shawmut National Bank, and many other bankers, are members of the League.

FINISHING THE WORK.

HERE is some praise of Mr. Taft from the "Wall Street Journal":

William Allen White coined a most felicitous phrase when he said that Secretary Taft was just the man to clean up the White House desk; that is to say, to finish President Roosevelt's unfinished work.

What he meant was that what was needed now in the White House was a man not so much to originate a new policy, and to strike out as a pioneer in a new field of endeavor, but one who will soberly though firmly finish up the business that has been begun and thus put the country in a position where it might, if it desired, start on a new movement of national development.

Not only is Secretary Taft eminently fitted to perform this work, but it is a work which the country needs to have done. The people of the United States are in no mood to retrace steps already taken, to undo reforms already begun or to return to old conditions, but they do need time in which to finish up the work which has been begun and to adapt themselves to the new conditions which they have ordered. Cleaning up the desk is now the next great work.

This would seem to imply that Mr. Taft intends to use a hand of steel in a velvet glove in dealing with the offending corporations, discarding the sledge-hammer employed by Mr. Roosevelt.

THE NATIONAL BANK OF CHINA.

THE doubling of the capital of the National Bank of China at Pekin is indicative of the financial progress which is being made not only at this point but elsewhere throughout the Empire. The capital stock now is about equal to $3,500,000 and will be increased to $7,500,000 or 10,000,000 taels of 100 taels a share. Foreign subjects are not admitted as shareholders. The bank is the National Bank of China in the sense of performing financial operations for the Imperial Government, although the power to issue notes will not be invested in this bank. It will have branches in various treaty ports and large cities.

THE SPECULATORS AND THE BANKS.

By Earl Dean Howard, Assistant Professor in Economics, Northwestern University.

SUPPOSE the brokers on the exchanges of the country were required to make public with every transaction, the name of the person for whom they are dealing and a statement whether the client is trading for cash or on margin; what would be the effect?

Among thoughtful people the idea is growing that speculation, especially in the stock exchanges, is one of the fundamental causes of economic disturbances and that one of the most serious defects of our currency and banking system is the assistance and stimulation it gives to speculation. This aspect of the matter has been cropping out constantly in the speeches in Congress, in the President's message, and in bills introduced in Congress; the discussion which has been aroused will not rest until some action is taken.

Speculation is that sort of buying and selling which does not help to move goods along the channels of industry and commerce from the producer to the consumer; the profit gained is not a part of that increment of value added to the goods by the increase in their utility, as they pass along toward the consumer, but comes from adventitious fluctuations of price due to natural or artificial causes. Legitimate speculation gets a profit from the necessary and inevitable fluctuations of price produced by sudden changes in the demand or supply; its function is to lessen as much as possible the fluctuations and to distribute the effects in the least harmful way. Illegitimate and objectionable speculation increases fluctuations and creates them when there is no natural reason for them. It makes prices abnormal, usually abnormally high at first, followed by a period when they are abnormally low.

The evils of speculation referred to herein are economic. "Bucket-shopping" and mere gambling on price fluctuations are not included in this; though reprehensible in themselves and injurious to public morals they are innocent of any effect on prices. It is only when property is actually bought and sold, when the demand and supply are altered, that price changes result. The charge brought against illegitimate speculation is that it creates an unstable condition of demand and supply, accompanied by abnormal prices, the effect of which is to artificially stimulate the production of goods for a time by increasing profits. This apparently is a most desirable thing and were there no further consequences, speculation might be hailed as a beneficent source of prosperity. Unfortunately, however, a period of prosperity founded upon abnormally high prices carries with it its own destruction and the period of depression which follows brings an economic loss more than sufficient to offset the gain of the preceding period.

Speculation Furthered by Credit.

Credit is the instrument of speculation. A credit is a postponed payment of cash, carrying the promise, expressed or implied, of future payment. Credit enables exchanges of property to be made without the use of cash for the time being. If cash were required in every transaction, a general speculative rise of prices would be impossible, for whenever the demand for one item was increased there must of necessity be a decrease in the demand for something else. Credit dispenses with the use of cash and releases demand from its dependence upon cash, thus permitting a rise of general prices limited only by the amount of credit which can be kept afloat. Anybody who can get credit can buy, and liberal buying causes a rise of prices. Large profits are made

by simply buying on speculation, the cupidity of the people is aroused, the banks stand ready to furnish the credit, and the "boom" continues until a demand arises for the liquidation of the outstanding credit. Liquidation requires cash and the demand for cash, postponed for so long, appears with cumulated force. Just as before everybody wanted to exchange credit for goods, so now everybody wants to exchange goods and credit for cash in order to pay their debts; whereas in the first period, competitive bidding forced prices to an abnormal height, in the second the pressure to sell property forced prices to an abnormally low level.

Credit is the offender against whom must be charged all the evil results of speculation and bank-credit must bear the major share of the blame. Credit, sometimes his own but usually the credit of a bank acquired by exchanging personal credit for bank credit, enables the speculator to buy and hold property until the holders of the credit demand that it shall be liquidated.

A bank is a market for credit. It takes in personal credit which cannot circulate as a medium of exchange and gives in exchange for it bank credit which can circulate in the form either of a bank-note or a deposit credit against which checks may be drawn. When people draw cash from a bank by presenting either notes or checks just that much bank credit is liquidated. In good times when prices are rising and values are secure there is small demand for liquidation and the volume of outstanding credit grows much to the profit of the bank; however, when prices turn downward and the movement for liquidation begins, and the demand for cash cumulates, many banks are unable to pay and fail.

Nobody would advocate the abolition of credit, however, because it fostered speculation; one might just as well abolish fire because houses were sometimes burned down. Credit is a substitute for money and without it the development of business, far greater in proportion than the increase in the supply of gold, would have brought a declining level of prices and a perpetual industrial stagnation. Furthermore, the abolition of credit or any considerable portion of it, would mean economic chaos for a term of years, a fall of prices to a fraction of their present figures, and the ruin of all debtors. Credit we must have, but a regulated credit and not an instrument with which the fool or the self-seeker may inflict grave damage periodically on the whole community.

Every statesman and student who grapples with the problem of the maladjustment of economic forces—the panic or crisis and all the phenomena which follow it, the shut-down of business, non-employment and distress among the working class, bankruptcy and financial difficulty for nearly everybody—must take into account the cause and the instrument of the cause: speculation and credit. Every proposed change in our currency or banking laws should be considered from this point of view; will it foster or hinder speculative fluctuations of prices?

The larger part of the speculation on the New York exchanges is done by margin trading. The customer furnishes a margin of ten to twenty per cent. of the value of the security and a Wall Street bank furnishes credit for the balance, the stock being purchased by a broker and deposited as collateral security with the bank. The bank has practically bought the stock on speculation but the risk is taken by the customer who puts up the margin. This system of margin trading enables persons without a large amount of funds to speculate with bank-credit, to create a demand and affect the prices of property which is bound to bring about disasterous results involving the whole industrial world. Furthermore, the bank-credit which their operations engross is withheld from trade because the speculator can afford to pay a higher rate of interst than the merchant or manufacturer.

The bank is the auxiliary of commerce, providing the means by which property of all kinds, whether goods or capital, is passed from hand to hand, gaining in utility and usefulness at each operation. The bank is like the railroad and bank-credit is like freight cars, but instead of moving goods from place to place, it moves them from hand to hand. Suppose our railroads at a time when traffic was heaviest should employ its equipment in hauling a certain quantity of goods backward and forth over the line, without accomplishing any economic service, while all the time shippers were clamoring for cars. This is exactly what happens when the New York banks lend to speculators their own credit and all they can absorb from the country banks.

How Illegitimate Speculation Might be Stopped.

Every person not directly interested in the business will probably admit that what we have called illegitimate speculation, as contrasted with legitimate speculation, is a dangerous element in our industrial and financial system and should be eradicated if possible; but the practical impossibility of discriminating between illegitimate and legitimate speculation or even between necessary trading and speculation, and the danger of doing more harm than good by any remedial legislation, has given pause to the reformer in this field.

The worst feature of illegitimate speculation is manipulation; that is, buying and selling for the purpose of changing the price and deriving a profit therefrom. Our present standard of business morality would scarcely brand this as dishonest although such transactions are harmful to the public interest. All too frequently, however, the manipulator is not satisfied to change prices by simply buying and selling but uses dubious devices to influence the market; spreading false rumors by means of tips and newspaper paragraphs; manipulating dividends and statistics, if he happens to be a director of the company; and matching orders by giving one broker an order to sell and another to buy the same stock at the same time.

The suggestion made at the beginning of this article that every transaction on the exchanges be accompanied by the fullest publicity both as to the trader and the manner of trading ought to make manipulation impossible, especially if it were reinforced by a tax on every trade, as proposed by Representative Hepburn, with provisions for the examination of brokers' accounts by officials that would prevent false statements and dodging. No manipulator would care to try the game with all the cards on the table, for the first essential of manipulation is secrecy. Speculation on margin would become more hazardous, for the margin trader is a notoriously weak holder and the technical condition of the market would be known to everybody. If everybody had known on May 9, 1901, that it was Mr. Harriman and Mr. Hill who were bidding for the Northern Pacific stock, the market would have been spared the most distressing features of that panic.

Speculation is nourished on bank-credit; without it the margin trader would be starved out and only the speculator with funds of his own could juggle prices. Bank-credit is based on cash reserves and limited by them. A considerable portion of the cash reserves of the national banks of New York represent the deposits of out-of-town banks and are a part of the lawful reserves of those banks. It is the funds of the country banks, drawn from every part of the country and deposited in New York that form the foundation upon which is erected most of the credit supplied to speculators. When a part of these funds are withdrawn by the depositors, for one reason or another, there ensues a stringency in the money market, the call-loan rate soars, and prices drop. The worst of it is that the speculator is not the only one who is hurt but every

legitimate business depending upon bank-credit suffers at the same time and brings suffering on the whole community.

Recognizing the evil result of using these country reserves to foster speculation, many persons would amend the National Bank Act and require every national bank to keep its full reserve in its own vaults. Such a measure involves a great waste of credit resource, the speculator would appropriate more of the credit now utilized by commerce, and the legitimate business interests would suffer in the end.

A Plan For Correcting the Abuse of Credit.

The banks of New York may be divided into two fairly distinct classes: the commercial banks and the financial banks. Commercial banks furnish credit to merchants and manufacturers to be used in the production and movement of goods; the financial banks furnish credit to brokers and dealers to be used in purchasing and holding securities which are deposited as collateral for the loans. The distinguishing feature of the financial bank is the collateral loan. This fact suggests a plan for restricting the resources of the speculator without at the same time placing any burden upon industry and commerce. This plan might be used in conjunction with the suggestion at the beginning of this article.

Let the national banks in the three central reserve cities, New York, Chicago, and St. Louis, be divided into classes: commercial and financial. Leave to the commercial national banks all the privileges they now enjoy under the National Bank Act, (except such as are hereinafter stated) and in addition permit them to exercise trust company functions, such as acting as trustee, administrator, registrar, etc., also give them authority to have savings departments under strict savings bank laws. This concession should be granted to better enable them to compete with the state banks and trust companies.

No commercial bank shall make any loan or discount any commercial paper for any broker or any loan secured by the deposit of stocks or bonds unless such collateral is taken to secure a loan already made, or one the proceeds of which are not to be used in trading upon an exchange. Violations of this prohibition will cause the bank to be classified as a financial bank.

A financial bank shall have the right to make loans to brokers upon collateral security of stocks and bonds or warehouse receipts. However, they shall not be permitted to receive deposits from any other bank or banker or from any trust company. They shall not be permitted to issue circulation but shall have the right to deal in bonds and underwrite issues of bonds. Every loan made shall be posted in a public place and shall give the name of the borrower, the amount, the rate of discount, and the name of the security.

No national bank shall deposit any of its funds in any other institution except a commercial national bank in a central reserve city or in a national bank in any other city.

The foregoing provisions are an attempt to deal with speculation on the basis of present banking laws. It is to be hoped that in the near future all the banks of the country may be incorporated and regulated under one system. Financial conditions can never be thoroughly controlled nor can the speculative expansion of credit and prices be eliminated until the state banks and trust companies are made to conform to the requirements laid down for national banks. It is a great anomaly to put strict limitations upon the national banks and expect them to compete with unregulated trust companies; hence in the provisions above, we have granted to the commercial national banks the functions of trust companies. It were much better, though, to deprive the trust companies of banking functions which they acquired by usurpation until the states recognized them by statute.

A BRIEF HISTORY OF THE INDUSTRIAL BANK OF JAPAN.

Specially Written for The Bankers Magazine by Motoshi Kato, Secretary of the Industrial Bank of Japan.

I. Introduction.

THE Nippon Kogyo Ginko, or the Industrial Bank of Japan, is one of the four important banks in Japan. In treating of its origin and history, we have, at first, to consider the nature and functions of these four banks, and to do this, however, requires some knowledge of the banking system in Japan.

The Japanese banking system is based upon the principle of the division of labor, in pursuance of which the Government established monetary institutions in connection with commerce, agriculture, industry and foreign trade, and everything was arranged on the principle of the differentiation of functions. As a central

DR. JUICHI SOYEDA

President of the Industrial Bank of Japan, was born in 1864, and was educated at the Imperial University of Tokyo, at Cambridge, England, and Heidelberg, Germany, 1881-1887. He was Vice-Minister of State for Finance in 1898, President of the Bank of Formosa from 1899 to 1901; and in March, 1902, was appointed President of the Industrial Bank of Japan.

commercial and monetary organ, the Bank of Japan was established; as the central organ of foreign trade, the Yokohama Specie Bank; as the central organ of agriculture, the Hypothec Bank of Japan, and as an organ for industry and negotiable instruments, the Industrial Bank of Japan was organized. Separately these banks make efforts to develop the branches of work assigned to them, but collectively, they assume the function and responsibility of effecting the economic prosperity of Japan. Thus, it will be observed that the Bank of Japan aims at rediscounting sound and profitable commercial bills; the Yokohama Specie Bank at supplying funds needed for the foreign trade; the Hypothec Bank at advancing funds against the security of real estate, conducive to agricultural developments, while the object of the Industrial Bank of Japan is to advance money on shares and stocks, so as to further the various industries of Japan.

II. Origin of the Industrial Bank of Japan.

In 1899, there was a movement in the Diet for the presentation of a draft for regulations concerning movable mortgage banking, and the Government was obliged to introduce the draft which was warmly welcomed by the Diet. The name given to the proposed bank was the Industrial Bank of Japan, and with various amendments, the draft passed both houses of the Diet on February 22, 1900, and was promulgated under Law No. 70, in March of the same year. The reasons then given by the Government for the introduction of such laws to the Diet were as follows:

"The demand for capital in this country is very large, and the supply is by no means adequate to meet the requirements. The lack of capital is keenly felt in railway and harbor constructions and other industries, greatly impeding smooth economic development. We recognize the necessity of establishing a special monetary organ for the transaction of shares, debentures and negotiable bonds, maintaining the real value of various securities and thereby heightening their credit and increasing the supply of capital, all of which is conducive to the economic expansion of Japan. Under the circumstances, it was thought advisable to establish the movable property mortgage bank with a view to the adjustment of financial organs."

The law relating to the Industrial Bank of Japan is as follows:

Law relating to the Nippon Kogyo Ginko. (The Industrial Bank of Japan, Ltd.)

CHAPTER I.

General Statement.

Art. 1. The Nippon Kogyo Ginko shall be constituted a joint stock company and have its chief office in Tokyo.

Art. 2. The capital of the Nippon Kogyo Ginko shall be seventeen million five hundred thousand *yen;* which amount may be increased with the sanction of the Government.

Art. 3. The amount of each share of the Nippon Kogyo Ginko shall be fifty *yen*.

Art. 4. The term of business of the Nippon Gogyo Ginko shall be fifty years; which term may be extended with the sanction of the Government.

CHAPTER II.

Chief Officers.

Art. 5. There shall be one president, one vice-president, four or more directors, and three or more auditors in the Nippon Kogyo Ginko.

Art. 6. The president shall represent the Nippon Kogyo Ginko, and superintend its business.

In the event of the office of president becoming vacant, the vice-president shall discharge the duties of president.

The vice-president and directors shall assist the president and shall transact any special business as provided in the by-laws.

The auditors shall inspect the business of the Nippon Kogyo Ginko.

Art. 7. The president and vice-president shall be appointed by the Government from among shareholders owning at least two hundred shares; and the term of office of a president and a vice-president shall be five years.

The directors shall be appointed by the Government from among candidates elected at a general meeting of shareholders, the

qualification of such candidates to be ownership of at least one hundred shares each, and the number of candidates to be twice that of the directors to be appointed. The term of office of a director shall be three years.

The auditors shall be appointed by election at a general meeting of shareholders from among shareholders owning at least sixty shares each; and the term of office of an auditor shall be two years.

Art. 8. The president, vice-president and directors may not engage, under any circumstance whatsoever, in any other profession or business. Exception may be made, however, by special permission of the Minister of State for Finance.

CHAPTER III.

Business.

Art. 9. The business of the Nippon Kogyo Ginko shall be as follows:

1. To make loans on the security of national loan-bonds, prefectural and municipal loan-bonds, or debentures and shares of companies.
2. To subscribe for, or take over by transfer, national loan-bonds, prefectural and municipal loan-bonds, or debentures of companies.
3. To receive deposits of money and undertake the custody of goods entrusted to it for safe keeping.
4. To undertake trust business.
5. To discount bills.
6. To make loans on the security of estates (zaidan) created by virtue of special laws.

In the case of bills to be discounted under the foregoing clause 5, national loan-bonds or prefectural or municipal loan-bonds, debentures or shares must be presented as collateral securities by the applicants.

Art. 10. The Nippon Kogyo Ginko may devote its unemployed funds to the purchase of national loan-bonds, prefectural or municipal loan-bonds, or the debentures of companies.

Art. 11. The Nippon Kogyo Ginko may not engage in any line of business not mentioned in this Law. This restriction shall not apply, however, when, with the permission of the Minister of State for Finance, the bank engages in banking and other operations ancillary thereto, which are conducted in foreign countries.

CHAPTER IV.

Debentures.

Art. 12. The Nippon Kogyo Ginko may issue debentures, provided that their maximum limit shall not exceed ten times the amount of the bank's paid-up capital; nor shall such debentures exceed the aggregate of the moneys the bank has actually loaned out, of the bills actually discounted and in hand at the time, as well as of the national loan-bonds, the prefectural or municipal loan-bonds, and the debentures of companies in its possession.

Art. 12-2. In the event of supplying capital for undertakings of public utility abroad, the bank may issue debentures with the permission of the Minister of State for Finance without observing the provisions of articles 12 and 15 of this law and article 200 of the commercial code.

The above-mentioned undertakings of public utility shall be determined by Imperial Ordinance.

Art. 13. The debentures issued shall be of the face value of fifty *yen* or more, and unregistered; they may, however, be changed into registered debentures at the request of subscribers or owners.

Art. 14. When the Nippon Kogyo Ginko desires to issue debentures, it must obtain the permission of the Minister of State for Finance.

Art. 14-2. When the bank issues debentures, article 199 of the commercial code is not applicable.

Art. 15. The interest on the debentures of the Nippon Kogyo Ginko shall be paid twice in a year or oftener, and the principal shall be redeemed by lot within the space of thirty years reckoned from the date of issue.

Art. 16. In case the Nippon Kogyo Ginko desires to issue debentures at a lower rate of interest, in order to replace those already issued, the bank need not be bound by the limitations of article 12.

When new debentures at a lower rate of interest are issued as here indicated, the bank, within the space of three months after their issue, shall redeem by lot old debentures equal in face value to the amount of the new debentures.

CHAPTER V.

The Reserve Fund.

Art. 17. The Nippon Kogyo Ginko shall put aside, at the end of each business year, eight per cent. or more of its net profit as a reserve for making up any deficit in its capital, and two per cent. or more of the said net profit for maintaining an even rate of dividends.

CHAPTER VI.

Government Control and Subsidy.

Art. 18. The Government shall have control over the business of the Nippon Kogyo Ginko.

Art. 19. The Nippon Kogyo Ginko, when it proposes to make alterations in its by-laws, shall obtain the permission of the Minister of State for Finance.

Art. 20. The Nippon Kogyo Ginko, when it proposes to open branch offices or agencies, shall obtain the permission of the Minister of State for Finance.

Art. 21. The Nippon Kogyo Ginko, when it proposes to declare a dividend, shall obtain the permission of the Minister of State for Finance.

Art. 22. The Minister of State for Finance may suspend any act of the Nippon Kogyo Ginko in the course of its business management, should such act be regarded by him as either contrary to laws, ordinances, or by-laws, or injurious to the public interest.

Art. 23. The Nippon Kogyo Ginko, in accordance with orders from the Minister of State for Finance, shall present reports showing the condition of its business together with its financial accounts.

Art. 24. The Minister of State for Finance shall specially appoint comptrollers to supervise the business management of the Nippon Kogyo Ginko.

Art. 25. The comptrollers of the Nippon Kogyo Ginko may examine at any time the vault for cash, the vault for instruments of credit, the books and all kinds of documents of the Nippon Kogyo Ginko.

The comptrollers of the Nippon Kogyo Ginko may attend the general meeting of shareholders or any other meetings of the bank, and may express their views at the same.

Art. 26. If the dividend to be declared for any business year of the Nippon Kogyo Ginko does not amount to five per cent. per annum of the paid-up capital, the Government shall give a subsidy sufficient to make up the deficiency, provided that the period of the Government's liability under this article shall be limited to five years reckoned from the last day of the first business year of the bank; and provided further that the amount of said subsidy shall in no case exceed five per cent. of the paid-up capital.

CHAPTER VII.

Punitive Regulations.

Art. 27. Should there occur a breach of law or regulation, as enumerated below, in the business management of the Nippon Kogyo Ginko, the president, vice-president and directors shall be required to pay a fine of not less than one hundred *yen* and not more than one thousand *yen;* provided that if any of the above mentioned officers has not been a party to in the violation, such officer shall be exempted.

1. If the bank has not secured the sanction of the Minister of State for Finance in a case respecting which it is provided in this law that such sanction should be secured.
2. If the bank has undertaken any business not mentioned in this law, contrary to the provisions of article 11.
3. If the bank has issued debentures contrary to the provisions of article 12 and article 16.

Art. 28. If the president, vice-president and directors of the Nippon Kogyo Ginko act in contravention of the provisions of article 8, they shall be individually required to pay a fine of not less than twenty *yen* and not more than two hundred *yen*.

APPENDIX.

Art. 29. The Government shall appoint a commission for the transaction of all business connected with the establishment of the Nippon Kogyo Ginko.

Art. 30. The commission for the establishment of the Nippon Kogyo Ginko shall make a draft of the by-laws, shall secure the sanction of the Government for the same, and shall then invite subscriptions.

Art. 31. When the said commission has secured a sufficient number of subscribers, it shall present to the Government the subscription certificates and solicit sanction for the establishment of the bank.

When the said sanction has been secured, the commission shall without delay call for the payment of the first installment of capital by the subscribers.

Art. 32. At the conclusion of the general meeting of shareholders for the establishment of the bank, the commission for the establishment of the Nippon Kogyo Ginko shall hand over its business to the president of the bank.

This law shall become effective from the day of promulgation.

The Nippon Kogyo Ginko shall take the following steps within three months from the day on which this law becomes effective.

1. Shares which are one hundred thousand in number at the time when the law becomes effective, shall be altered to two hundred thousand shares, one-half being fully paid up and the other half being not fully paid up. The latter half shall be allotted in proportion to the number of the shares owned by shareholders at the time when the law becomes effective.
2. A call of not less than one-quarter of the amount shall be made without delay for the aforesaid not fully paid up shares. In this case, the provisions of the commercial code relating to the increase of the capital of a joint stock company shall be applied.

3. There shall be an increase of one hundred and fifty thousand shares, and a call for their full payment shall be made without delay. In this case, paragraph 2 of article 217 and paragraph 1 of article 218 of the commercial code need not be observed.
4. Necessary registrations in connection with the aforesaid three clauses shall be made within two weeks from the day of the closure of the shareholders' general meeting held in connection with the second and third clauses in accordance with Article 213 of the commercial code. In this case, the document which certifies the taking over of shares, may be used in place of the documents provided in clauses 1 and 2 of article 180 of the law of procedure in non-contentious matters.

III. The Establishment of the Industrial Bank of Japan.

Since the promulgation of the law concerning the Industrial Bank of Japan, the Government has devoted itself to the successful execution of the scheme, and on March 31, 1900, the following twenty-three persons were appointed the committee:

Inajiro Tajiri, the Vice-Minister of Finance; Shiro Fujita, the Vice-Minister of Agriculture and Commerce; Shinzen Matsuo, the Chief of the Account Bureau of the Treasury Department; Jun Saito, the Secretary of the Financial Department; Messrs. S. Hot-

MOTOSHI KATO
Secretary Industrial Bank of Japan.

ta, M. Takei, E. Shibusawa, R. Kurihara, R. Hara, K. Sonoda, K. Takahashi, K. Okura, Z. Yasuda, B. Nakano, I. Matsumoto, G. Tanaka, K. Ono, N. Horibe, R. Toyokawa, S. Okaya, and G. Okahashi.

On June 12, 1901, Mr. I. Tajiri was appointed on the committee following Mr. Y. Sakatani of the Treasury Department, Mr. T. Yasuhiro of the Department of Agriculture and Commerce (July 28) and Mr. J. Soyeda (November 25) were respectively appointed on the committee. The meeting of the committee was held at the upper chamber of the Finance Department on September 24 and 26, 1900, but the circumstances then prevailing did not permit the raising of shares so that the decision was made concerning the articles of the bank. On December 4, 1900, the third meeting of the committee was held in which the *modus operandi* and time for raising shares were discussed, and on April 11 an office was opened on the second floor of the Treasury Department, and Mr. J. Soyeda, the Chairman of the committee, was engaged most ardently in the discharge of his duties. Notwithstanding various unfavorable circumstances for the raising of shares, everything went off most satisfactorily, and the shares were over-subscribed three times. On March 27, 1902, a general meeting was held in the building of the Bankers' Association, in which they discussed particulars concerning the expenses for the establishment of the bank, and allowances to the president, directors and auditors. The election of directors and auditors was made with the following result:

As candidates for directors: O. Tomono, T. Inouye, N. Kaneko, J. Saito, S. Asano, H. Mogami and J. Watanabe. As auditors: E. Shibusawa, Z. Yasuda and K. Okura.

On the same day the appointment of Mr. J. Soyeda to the presidency, and Messrs. O. Tomono, T. Inouye, N. Kanako and J. Saito to the directorship was made, and their terms of office extended for two periods.

IV. The Revision of Laws of the Bank.

During the year 1905, with the news of repeated successes achieved by Japan in the war, the uprising of industrial and economic enterprises was generally expected and the need of monetary organs was keenly felt. At this juncture, in March, 1905, the laws of the Industrial Bank of Japan were revised as follows:

1. In art. IX, the sphere of the bank's business was enlarged. Up to the present, the security business of the bank was confined to the treatment of local loan bonds, and stocks and debentures of companies, but this limitation under the new laws was done away with.

It was so arranged under the new system that the discount of check will be made on the securities of national loan bonds, local loan bonds, stocks and debentures of companies. Also an enactment was passed enabling the bank to make advances on the security of financial corporations settled by the regulations. Thus the railway corporations formed under the railway mortgage law, and the mining corporations formed under the mining mortgage law and the factory corporations under the factory mortgage law.

2. Under art. XI, while prohibiting the bank from any other undertakings, the following postscripts were added, making provision for the business of the bank to be discharged in foreign countries with the consent of the Minister of Finance. Thus business which does not come under the heading of art. IX, could be performed in foreign countries provided it is the business of bankers.

3. The capacity to issue debentures was so far five times the capital which was changed to ten times.

4. Under the art. XII, the Industrial Bank of Japan may issue debentures to ten times the capital, and within limit not exceeding the present amount of advances, the amount of national loan bonds, local loan bonds and

the amount of debentures of companies on hand, but adequate provisions are not yet made to meet the demand required for extensive enterprises. Under the circumstances, a provision was made under art. XII (second clause), to the effect that in case capital is needed for enterprises of public benefit to be carried on in foreign countries, the bank may issue debentures without having recourse to the provisions made in arts. XII and XV and also in art. CC of the commercial code, but the so-called enterprises of public nature will be ordained by Imperial Decree at the time.

By the revision of the laws above mentioned, the Industrial Bank of Japan has extended its sphere of business, but in view of the fact that it is not enough to perfect the common use of both foreign and domestic funds by making connections with monetary markets abroad, the authorities concerned tried to make foreign capitalists shareholders of the Industrial Bank of Japan. In planning for an increase of capital, they asked the Government for the revision of the banking law. The Government accepted their offer, and formed the revised law which was approved by the Diet, and thus a second revision of the banking law was effected. By this revision the capital of 10,000,000 yen has been increased to 17,500,000 yen, of which $7,500,000 yen is for foreign capitalists, and the bank issued shares to the bearer which were accepted by influential capitalists of England, America, Germany and France.

V. The Establishment of the Branch Office.

After the war with Russia, both our people and officials rendered good service in the development of Korea. In order to accomplish this great mission for Japan, we must have a monetary organ in Korea. In April of 1906, a business office was established in Seoul for the observation of the condition of the peninsula. On October 25, of the same year, a branch was established in Seoul, and on March 16, 1907, the Seoul branch came into existence.

VI. The Monetary Relation Between the Bank and Foreign Markets.

During the first year that the Industrial Bank of Japan came into existence, it imported foreign capital as one of its chief matters of business. It undertook the resale of Government bonds amounting to 50,000,000 yen. The bank opened negotiations with the Government from June, 1902, and on September 30, of the same year, the bank offered to accept bonds amounting to 50,000,000 yen at five per cent. interest, and at the same time, it introduced to the Government the bill of contract for sale of bonds to the banks in Hongkong and Shanghai. Getting permission from the Government on the same day, the bank made a contract for sale of bonds with the foreign banks above referred to. The terms the Government promised to the bank in connection with the sale of bonds is that the endorsed bonds amounting to 50,000,000 yen with five per cent. interest shall be sold at £98 per 1,000 yen, and that money is to be handed over to the Government in London in exchange for bonds. The sale of the bonds went off well and the transaction was completed in February, 1903. Meanwhile the Russo-Japanese war broke out, and mercantile business was very dull.

In the spring of 1905, when the war closed, bringing victory to Japan, the uprising of new undertakings, and the extension of old undertakings absorbed funds to such an extent that the necessity for the common use of foreign and domestic capital was keenly felt. Hereupon the Industrial Bank of Japan had to turn its attention to the trust business. It accepted the trust of the debentures of the Tanko Railway Company in the Hokkaido, amounting to £1,000,000. It also took over the Tokyo Municipal Loan Bonds, and the South Manchurian Railway Company's debent-

ures, and issued them in London. The chief points concerning the bonds and debentures above referred to are as follows:

Description.	Date of Issue and Sale.	Total Amount Issued.	Face Value.	Proceeds.	Rate of Interest.
5% Public Loan Bonds...........	Oct., 1902	50,000,000 yen	£102.01,08	98.00	5 per cent.
Tokyo City Loan Bonds..........	July, 1906	£1,500,000	£100,00,00	96.10	
South Manchurian Railway Loan	July, 1907	£4,000,000	£100,00,00	97.00	

The amount of funds the Industrial Bank of Japan invested abroad was 5,000,000 yen for the Korean Government (March, 1906), 390,000 yen for the Japanese Settlers' Association at Fusan (April, 1907), and about 7,500,000 yen for both public and private corporations in China. In conclusion let us state the monetary condition of the bank at home. Since its establishment, it has issued bonds for business purposes amounting to 17,350,000 yen, which were invested in sound enterprises.

In the summer of 1906 the bank made a plan for the liquidation of local loans. Therefore since November of the same year it has accepted local loans amounting to 3,000,000 yen.

Other trust business done by the Industrial Bank of Japan are those of Fuji Cotton Spinning Company amounting to 2,000,000 yen, Japan Sugar Refining Company and Osaka Cotton Spinning Company, amounting to 1,000,000 yen respectively. The business of the bank at its first period was 1,169,000 yen invested for various undertakings, and over 896,000 yen for national loans. But as time went on its business has gradually been extended, and at the latest report, the amount of the investment is laid down at over 26,000,000 yen for national and local loans, over 30,860,000 yen for debentures, over 11,550,000 yen for various undertakings, over 1,820,000 yen for gold and silver mines, and 4,890,000 yen for Korea, making a total of 48,140,000 yen, showing an increase of over 46,070,000 yen compared with that of the investment made at the end of the first period.

SILVER COIN BY REGISTERED MAIL.

It seems probable that the Government will save $30,000 this coming year in the shipment of silver coin. Usually this coin is sent by express but the new law provides that half of the appropriation—$60,000—shall be used in sending this money by registered mail and the Treasury people hold that $30,000 shall be spent first on the registered mail. It seems likely that all the coin can be shipped in this way for a total cost of $30,000 in which case it would not be necessary to send any by the express companies.

BANKS IN CHILE.

In the Republic of Chile on December 31, 1907, there were in operation 24 banks with paid-up capital of 124,040,525.63 pesos (a peso equals 36 1-2 cents), and aggregate resources of 811,363,263.17, as shown by the balance sheet of the banks published in the February 22 edition of La Revista Comercial of Valparaiso, Chile. The most important of the banks is the Bank of Chile, the subscribed capital of which is 30,000,000 pesos.

A summary of the returns is submitted herewith:

ASSETS.

	Pesos.
Cash on hand	88,745,808.07
Bonds and securities	14,823,250.82
Real estate and other property	10,773,369.84
Agencies	17,661,641.06
Bonds and documents in custody and in security	194,795,990.55
Advances	478,548,846.71
Other accounts	6,014,356.12
Total	811,363,263.17

LIABILITIES.

Paid-up capital	124,040,525.63
Reserve and guaranty funds ..	25,765,952.50
Profit & loss	6,530,668.63
Funds for savings, withdrawals, and dividends	3,491,322.19
Funds for incidentals	1,236,468.85
Dividends unpaid	278,362.76
Deposits	415,205,924.06
Bonds and documents deposited	194,795,990.55
Pending transactions	5,191,211.94
Other accounts	34,826,836.06
Total	811,363,263.17

THE PASSING OF THE DEPOSIT LEDGER.

By Wm. H. Kniffin, Jr.

On January 1st, 1908, the one hundred and thirty-eight savings banks of New York state had 2,731,447 open accounts on their books. They open over half a million new accounts each year, and the transactions with their depositors aggregate over seven and one-half million items. One bank alone had 340,346 deposits and drafts in one year.

To handle this vast volume of business necessitates a host of employes; it consumes barrels of ink, and demands infinite patience and attention to detail. When it is remembered that most of these good institutions keep their books in perfect balance, it will not require long study to become convinced that herein, system and accuracy have been highly developed. The greater part of the transactions referred to above, occur at the interest periods, when the rush is on and the vast multitudes are depositing and withdrawing, having interest credited, etc., and whatever the system, it must be expansive, capable of handling the rush, yet not too costly and cumbersome to be serviceable in normal times. It behooves the bank man therefore, to find the easiest, the quickest, the most accurate, and the most elastic system available, if he would keep pace with the times and the demands of his business.

The Old Idea and the New.

Acconnting is a fine art, exceedingly simple in its fundamental principles, yet often intricate and complex in its operations. It is simply a matter of debit and credit, asset and liability; addition, subtraction and division. But what is an asset, and what a liability? Twice two makes four—but we sometimes get it five, or—three, and he who never made an error was never born.

The old time notion of bookkeeping was to make it complex; to multiply the number of transcriptions and thus lessen the liability to err. Consequently, the journal, with the post and crosspost idea, doing the same thing several times just to be sure to get it right—and multiplying the chances of getting it wrong! But the new idea is simplicity. Do the thing once, but do it right that once, and make this entry cover as many purposes as possible—a logical and sensible conclusion. Transcribe as little as possible. Hence the carbon system, the billing machines and direct posting, with the card and loose leaf systems as auxiliaries, to simplify the process, eliminating and promptly and properly burying the dead matter as fast as its usefulness is ended.

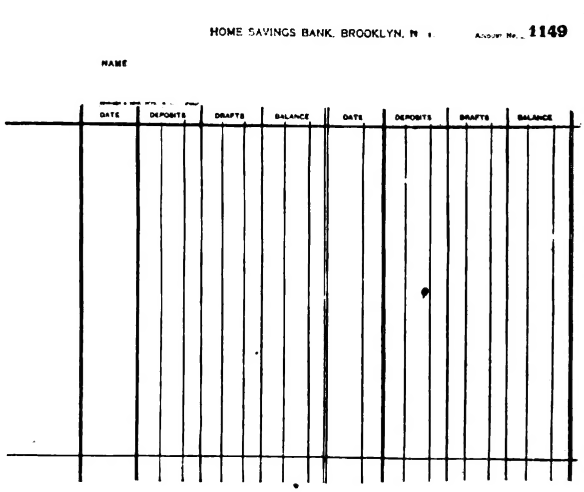
Bookkeeping in the Past.

From the deposit ledger with thousands of accounts (many dead) to the card tray or the loose leaf binder, is a long step. In an able address delivered before the American Bankers' Association, Col. Sprague, President of the Union Dime Savings Institution of New York, traced the evolution of the aforesaid ledger from the time of the bound book with five thousand accounts, to the advent of the latter day systems. He told of the time when each debit had "To cash" and each credit "By

cash"—otherwise, how could you tell what it was? This was subsequently abbreviated to "T" and "B," representing, as the janitor put it, "what they bought and what they took." The time came, however, when simply the date and the amount—in the proper place, of course, told the whole story.

The old time practice, still in vogue in many places, was to make the deposit ticket, transcribe at the end of the day to the journal—cash, the bigger the book the better, and post from thence to the ledgers, and check back. This, as the Colonel humorously remarks, was "book"-keeping, but to post direct from the slips and dispense with the journal—that was unsafe and unsound. The ledger was ruled for debit and credit, a column for each, and the balance brought down at intervals or carried in lead pencil.

It is not so many years since these notions were current, but these later days have seen many excellent substitutes. Some banks post direct from the credit and debit slips, and check from the teller's sheets, doing away with the journal altogether. Others enter the new and old balances on sheets ruled for the purpose, and strike the difference, which must tally with the total deposits or drafts. Others post from perforated sheets, detaching the perforations, leaving the name and number only. These are filled in as appear on the ledger and must tally with the main sheet. Many and varied are the systems devised to meet the needs, representative forms of which will be shown in a succeeding paper, but whatever the method of posting and checking and proving, one fact remains, the accounts fill up.



Leaf from Loose Leaf Ledger ruled for 58 entries.

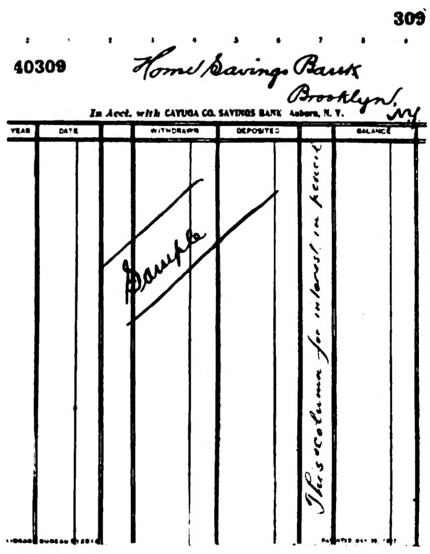
The Bank Man's Problem.

The savings bank account is peculiar. One can never tell when Sarah Brown opens account with you, whether her ladyship will be a weekly visitor, or never show up at all. Many, perhaps most of the savings accounts are quasi-dormant, increasing only with the periodical additions of interest. The business account is presumed to be active from the beginning. The Standard Oil account would certainly be a daily visitor and due preparation made to handle it, while the corner groceryman's would be more or less inactive. In the savings institution, only time will tell who will be the "steady's." In a certain metropolitan savings bank, one account,—that of a trolley car conductor has had over one hundred entries during the past year. Upon opening the account,

he stated, when asked his occupation, that "he was a nickel knocker," meaning he "helped himself." During the summer he deposited daily. A perusal of this account would indicate the Mondays without the aid of a calendar, for these were the largest deposits. After a "good" Sunday, he would have from $15.00 to $25.00 as his share of the "earnings" of his car, and it speedily found its way into the bank. He lost his place in consequence of such practices and had to fall back upon his "savings." Obtaining a new position with another company, he repeated the old tricks, and again was laid off. The highest balance was $203.50, and the lowest $30.00,—not a profitable account.

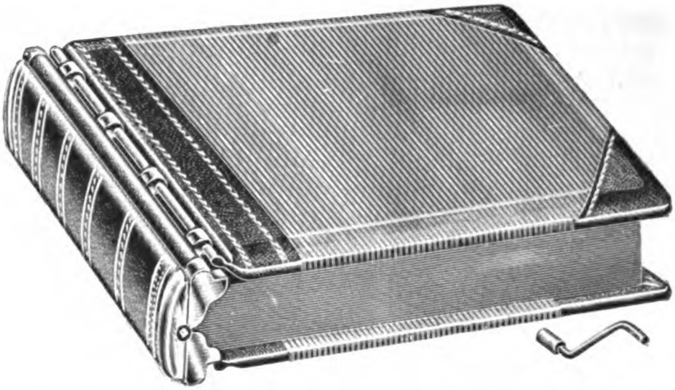
As a lesson in activity, and as a study in the "traits and tendencies of trolley car conductors" it is interesting. If this man is a type, and his brethren purloin likewise, it is no wonder the companies go bankrupt. But then,—this is only supposition. It is no part of the bank man's duties to ask "where he got it",—perhaps he had another source of income.

This uncertainty has brought about the passing of the bound ledger and its more elastic substitute in the form of card or loose leaf has come into being to meet this very need. Under the regime of the bound ledger, one of the problems of the savings bank is, how to provide space enough for the active and not too much for the passive. Many and cumbersome have been the methods devised to obviate the difficulty, the most prevalent seems to have been this: when an account is full, the balance is carried to the nearest open space. No more undesirable method could have been found. It takes the accounts out of all sequence, and its only redeeming feature is the saving of white paper. To quote the Colonel again: "After finding the place of an account, perhaps tracing its course through several unfilled spaces to which it had been carried, the eye and the finger had to recur to the deposit book or draft book to make sure of the number and name, then back to the account, carrying the amount as a precious burden, sometimes spilling it on the way, and usually making the voyage across the expanse of those two big books two or three times till it finally reached the haven where it should be. Many accounts overflowed the boundaries of the original spaces allotted to them and had thus to be carried to the unused portion of the territory of some short-lived depositor nearby, and so on, until the complication became inextricable and fruitful in posting to the wrong account. Finally this became intolerable and the space so exhausted that all surviving accounts had to be carried to a nice big new book. This was one of the most irksome of jobs and nobody wanted it."



Card Ledger Account, ruled for 48 entries. Note the divisional indicators.

Another method, with a bit more of merit attached, is to insert blank leaves at intervals, to which the "filled" accounts are carried. Another, to leave marginal blanks, answering the same purpose; and still another, to carry a number of blank accounts in the back of each ledger for such purposes. But neither of these methods abolish the inevitable, they merely postpone it, and to a new ledger the accounts must go,



Loose Leaf Ledger closed. Made in any size, with key as shown or Yale lock. By courtesy of Dennison & Sons, 4-10 Liberty Street, New York.

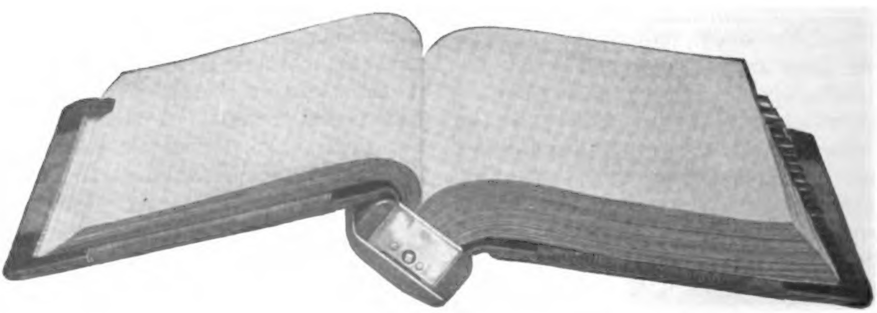
necessitating the closing of the old, opening of the new; indexing, filing, etc., and is a nuisance at best.

Contrast a thousand accounts, scattered thus, out of all regular order, transferred and re-transferred again, with a drawer of cards, every one alone, alive and alert, or a loose leaf ledger, likewise, each account carrying the same number as long as the account shall live—verily it is worth while! A year's experience under both systems, and no other argument will be necessary.

Cards and Loose Leaves.

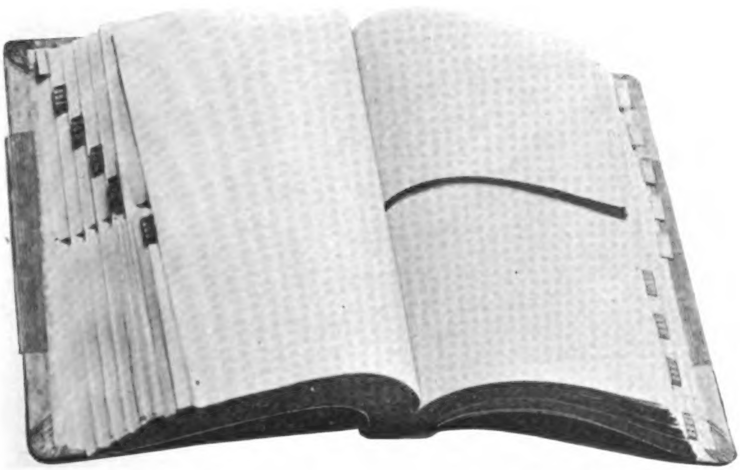
Many a bank man is wedded to his own, and parts with it only under dire necessity, but to convince him of the merits of the new, oftimes needs a philosopher with gifted tongue. As to their convenience, he needs no proof, but as to their safety—that is another matter. From a somewhat extensive canvass of this subject made by the writer, the following objections seem to be common in this regard, viz.: their safety, their legality, and their bulk. While it was expected that the legal side would be most prominent, this seems to have been accepted as settled. The possibility of loss or manipulation is pertinent, and between the cards and the loose leaf, with this in mind, there is not much choice. The bulk is a matter of desk room.

The fundamental differences between the two methods are nil, merely that the one is in sheets, bound like a book, under lock and key, if you will, while the other is in drawers, locked also, if desired. To choose the better, is a matter of taste. One looks like a book—the other doesn't, that's all. They both have their good points, and both have their weaknesses. Neither has reached perfection. However this may be, it is a matter of wonder that so many banks have failed to discover



Loose Leaf Ledger showing flat opening.

the great worth of the card system of indexing. Many, if not all savings banks work under name and number. Without the number, the bank man is helpless. John Williams comes in and reports his book lost. "What's your number?" you ask. He doesn't know, and you must find it—sometimes quickly. To turn to the old time vowel index and hunt through a mass of dead matter, is neither necessary nor desirable. His account should not be one of two hundred, but one of twenty, one of ten. Herein comes the card index, may be found who takes both asset and liability—strange, yet true. Suppose Mr. Thief takes $100 from the cash and a corresponding amount from the book liabilities—how about it? One bank lost over a quarter of a million taken thus from deposit accounts, the trial balances being altered to match. On its face, the bank was none the worse, but when the pass books were called in and totaled, they owed a quarter million more than they owned, and two men died in Dannemora Prison, peeling potatoes, in consequence.



An original idea in Loose Leaf Ledger. Note the division of the book into two sections. The accounts are grouped, first by hundreds and then by fifty's. By using a thin, tough paper, this binder will hold from 2,000 to 2,500 accounts. A year's test of this book has given perfect satisfaction. On account of the slanting position, to show the division, the flat opening feature does not appear.

dividing and sub-dividing the Williamses until it gets to be a nicety, and you find it instanter. For due dates of interest payments, expiration of insurance, etc., it is a gold mine. Every day has its allotment and for such records, it is without a peer. But we are digressing, and back to the ledger.

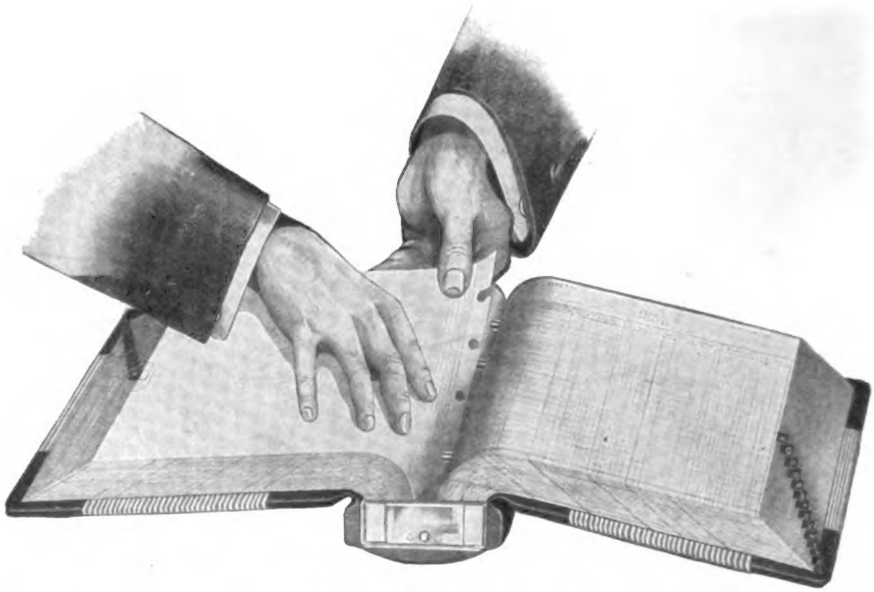
As to security—and this must be considered, for as long as men are human, some will steal and others try to, but whether the card or the loose leaf will invite this is yet to be seen. Some men, perhaps most men, when they do pilfer, take the assets of the bank, the cash, securities, etc., but occasionally one

Will a man who would go wrong stop at a piece of linen thread, holding a leaf? Will he stop at a rod, or a lock? Bound books have not prevented fraud; will the other systems invite it? Will he not find a way—or make one, as history has proven time and again? After all, does not the whole matter simmer down to human honesty? You may lock the books or the drawers, so that two men and two keys are necessary to open, but will he not defeat this, if he is a clever rogue?

As to the possibility of loss or misplacement, let this be said for the loose leaf ledger: it can only go astray by

design—by intent; the card may, and often does become misplaced in error. The loose leaf is fast until its life is ended, when it comes out to stay, but the card is loose all the time—else it would not be a card. The one is a book—really a book, as the cuts will show, with real binding and back and sides; the other is a bit of bristol board sliding on a rod.

As to bulk, many banks raise the point of desk room, and those whose quarters are cramped must consider this. A thousand cards form a compact mass, and upwards of ten thousand can be handled in the desk shown in the cut, whereas two, or three at the most of the old bound ledgers could be handled with ease.



Loose Leaf Ledger showing the insertion of leaf. Book opens perfectly flat. By courtesy of Dennison & Sons, 4-10 Liberty Street, New York.

The loose leaf ledger has not yet been devised that will match the cards for compactness, but we show a photo of one, an experiment, with upwards of fifteen hundred accounts. The genius who will devise a loose leaf savings ledger that will match the cards for compactness, has a wide field for his wares, as a number of letters at hand would show. Matching each other in this, it is "take your choice."

Will They Stand in Court?

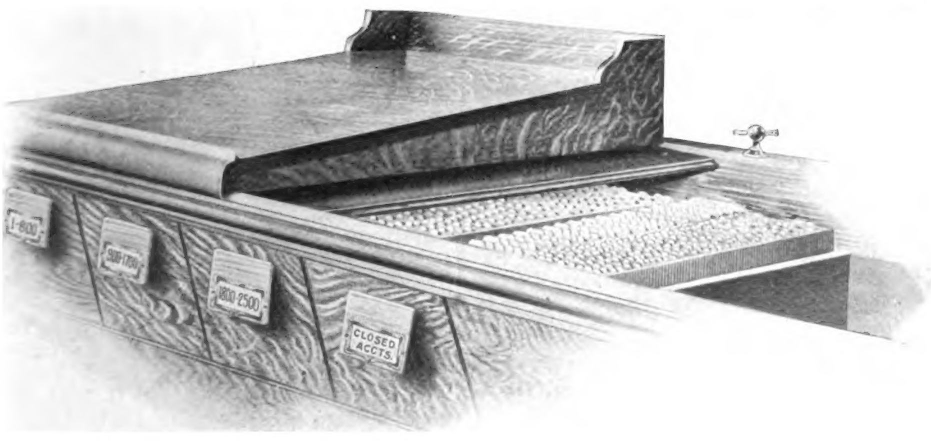
In so far as the legality of these methods goes, let this be said: It is a bigger subject than space permits to handle with justice, but they will stand in court. It is a principle of law that only books of original entry can be admitted as evidence. It must be the original transaction, or the record thereof, made by the party whose duty it was to make that record, and who made it in the regular course of business. The original transactions, the memoranda even, may be called into play to bolster up the otherwise original entry. If the one who made them is living, bring him into court. If he is dead, prove his handwriting! In Hooper vs. Taylor, 39 Me., 224, the court said: "The material, form and construction of a book offered in evidence as a book of original entry, are unimportant, provided such books are capable of perpetuating a record of

Card Ledger Desk complete. Capacity 9,000 accounts. By courtesy of the Yawman and Erbe Mfg. Co., Rochester, New York.

events, and the entries are made in conformity with the general rule governing the admissibility of such entries."

Any bookkeeper knows full well that the ledger, no matter what the form, *is not a book of original entries,* except perhaps in carbon systems. It is merely an assembly of original entries, and the cards and loose leaves are in such universal use that no court could afford to question the validity of the records therein contained.

For general ledger use, the loose leaf system is ideal. The book is big



Card Ledger Desk showing writing shelf and arrangement of cards in detail. By courtesy of the Yawman and Erbe Mfg. Co., Rochester, New York.

or little as you please, self indexing, and always as you will. For bond registers and mortgage records, it is all that could be desired. For a most excellent "write-up" on this subject, see the Bankers Magazine for March, '08, under the caption, "The Most Important Book in the Bank."

Satisfied Users.

To note the passing of the bound book by statistics, note the following:— Here are letters from eighty-seven banks in the Eastern states. Forty-two are still using the bound ledger, mostly in New York. Twenty-three are using the cards; fourteen the loose leaf ledger, and eight are changing. Among the users of the card ledgers may be named, the Albany Savings Bank, with 48,000 accounts; the Buffalo Savings, with 50,000; the Western Savings Fund Society of Philadelphia, with as many more; the Berkshire Co., of Pittsfield, Mass.; the Wildey, of Boston; both the Peoples and the Yonkers Savings, of Yonkers, N. Y.; the Mariners, of New London, Conn., which would consider no other; the Cayuga Co., of Auburn, N. Y., are de-lighted. Cortland, with ten thousand accounts, is just transferring, and Riverhead and Schenectady will tell you like stories, if you care to get it direct.

Among those wedded to the loose leaf idea are: Albany Exchange; the Hoboken Bank for Savings; the Bushwick, of Brooklyn (just installing), likewise the East New York; the Manhattan Savings Institution, with 22,000 accounts; The People's Savings Bank, of Pittsburgh, which has 35 loose leaf ledgers in use, and the United States.

The increasing popularity of savings institutions, and the multitudinous transactions going over the counter, demand better methods and quicker, than obtained in the days of the stage coach and the sailing vessel. The bound book may have answered every purpose (and may yet, to the notions of many) but the day of the coach and wind boat is past, and the banker of the "ye olde tyme" is gone and his son survives him, but what was good for the sire, may not always be good for the son, for he faces a different proposition than confronted his ancestor. He handles more money and more people in a day than his father did in a month—and his day has but twenty-four hours! He lives in a day of big things, and big things demand big methods, big systems (but not big books), to handle them. The way has been found, the demand met. It is usable, it is used, as was above shown.

The old was good enough for its day. It met the existing need, but what may have been ideal then, may be obsolete, unusable, cumbersome today. And he who clings to the old, just because it is old, might just as well write with a quill and spill sand. "Times has changed," remarked the philosopher, and with the changing has come the advent of better methods, and the time is not far distant when only the permanent records, the sum totals of the business, from which history may be written in after years, will be bound in books, and even these may not escape the inevitable.

GOVERNMENT SAVINGS BANKS IN AUSTRALIA AND JAPAN.

CONSUL-GENERAL JOHN P. BRAY, of Melbourne, reports that during the past five years the deposits in the Government savings banks in Australia have increased largely. In the year 1902-3 the total depositors' balance held was $175,-024,855, which by 1906-7 had grown to $204,-871,324, making $162.75 the average amount to the credit of each depositor, and representing $49.55 per head of the total population of Australia. The annual amount paid in interest to depositors in these banks in 1906-7 was $5,508,104, against $4,265,346 in 1902-3.

Consul-General Henry B. Miller, of Yokohama, in reporting that 39 Japanese banks with a total capital of $38,000,000 suspended payment last year, says that the loss of confidence in the smaller banks has resulted in an increase of money deposited at the post-office savings bank. The total deposits in the latter at the end of March amounted to $46,460,000, showing an increase of $722,000 as compared with the amount deposited at the end of last year.

ECONOMY IN THE SAVINGS BANK.

Compiled by Victor D. Mead, of the Home Savings Bank of Brooklyn.

No higher compliment was ever offered a banking system than that which was given during the recent insurance investigation. While the gigantic frauds of the big companies were being unearthed, and the gross mismanagement and enormous expense accounts were in the limelight, the large savings banks, especially in New York, were offered in evidence to sustain the point that a hundred-million-dollar corporation can be conducted honestly and economically.

While it is true that there is a radical difference in the operation of the two institutions, the great contrast in the expense ratio is noticeable. The depositors seek the bank, while the insurance company must seek its patrons, and it is an acknowledged fact that any concern that must operate by solicitation will have heavy expenses. Good men come high; likewise railroad tickets and hotel bills, and where this is the procedure, economy is quite impossible.

It is estimated that the average cost of conducting a life insurance company is about thirteen per cent.; that is, out of every dollar received, thirteen cents must go for the expense of getting that dollar. The savings banks, as a rule, pay less than one cent for every dollar of deposits, as is shown by the accompanying table.

A glance at the list will demonstrate that the two largest savings banks in the country—the Emigrant Industrial and the Bowery, of New York—pay their entire working force less than some of the presidents of the large companies have been receiving. Here will be found large metropolitan banks, with the high rentals and taxes, and other expenses in proportion, alongside of the modest country bank where the conditions are opposite. In every case, the expense account includes the franchise tax, levied by the state, which is one per cent. of the surplus. In the case of the Bowery this item was $64,226.79, and that of the Emigrant Industrial, $59,358.47 for the year 1907.

Figures compiled from the advance sheet of the Banking Department for the year 1907:

LIST OF THE SAVINGS BANKS OF NEW YORK, SHOWING AMOUNT DUE DEPOSITORS, SALARIES, AND OTHER EXPENSES, WITH RATIO OF TOTAL EXPENSES TO DEPOSITS.

Bank.	Amount due Depositors.	Salaries.	Other Expenses.	Ratio of Entire Expenses to Deposits.
ALBANY COUNTY.				
Albany City Savings Institution	$4,708,000	$9,880	$14,720	.0052
Albany County Savings Bank, Albany	7,247,100	8,085	7,100	.0020
Albany Exchange Savings Bank, Albany	2,567,400	7,100	6,850	.0054
Albany Savings Bank, Albany	32,549,800	42,000	35,060	.0023
Cohoes Savings Institution	3,283,700	4,870	5,080	.0030
Home Savings Bank of the City of Albany	4,335,700	9,630	10,850	.0047
Mechanics & Farmers' Sav. Bank, Albany	2,363,000	4,100	5,450	.0040
Mechanics' Savings Bank, Cohoes	1,291,900	2,900	3,450	.0049
National Sav. Bank of the City of Albany	11,408,000	14,370	19,870	.0021
BROOME COUNTY.				
Binghamton Savings Bank	5,143,400	11,605	7,790	.0037
Chenango Valley Sav. Bank, Binghamton	823,900	3,660	2,860	.0079
CAYUGA COUNTY.				
Auburn Savings Bank	5,147,000	11,640	13,090	.0048
Cayuga County Savings Bank	3,344,000	7,460	4,540	.0035
CHEMUNG COUNTY.				
Elmira Savings Bank	483,800	1,900	1,150	.0063
COLUMBIA COUNTY.				
Hudson City Savings Institution	4,665,100	8,050	6,000	.0030
CORTLAND COUNTY.				
Cortland Savings Bank	3,492,900	6,720	10,850	.0050

LIST OF THE SAVINGS BANKS OF NEW YORK, SHOWING AMOUNT DUE DEPOSITORS, SALARIES, AND OTHER EXPENSES, WITH RATIO OF TOTAL EXPENSES TO DEPOSITS.—(Continued.)

Bank.	Amount due Depositors.	Salaries.	Other Expenses.	Ratio of Entire Expenses to Deposits.
DUTCHESS COUNTY.				
Fishkill Savings Institute	365,300	1,100	680	.0048
Matteawan Savings Bank	633,900	1,820	1,755	.0056
Mechanics' Savings Bank, Fishkill	2,209,800	5,575	5,260	.0049
Pawling Savings Bank	562,300	1,420	1,100	.0044
Poughkeepsie Savings Bank	11,618,200	15,150	10,550	.0022
Rhinebeck Savings Bank	781,800	2,575	1,270	.0049
Wappinger Sav. Bank, Wappinger Falls	580,600	2,200	1,200	.0058
ERIE COUNTY.				
Buffalo Savings Bank	26,280,600	57,000	43,300	.0038
Erie County Savings Bank, Buffalo	40,416,500	55,300	89,800	.0035
Western Savings Bank, Buffalo	7,151,900	19,700	18,800	.0053
GREENE COUNTY.				
Catskill Savings Bank	3,275,100	5,700	2,900	.0026
JEFFERSON COUNTY.				
Jefferson County Sav. Bank, Watertown	7,314,100	14,900	11,400	.0035
Watertown Savings Bank	2,387,200	4,100	3,100	.0030
KINGS COUNTY.				
Breevoort Savings Bank, Brooklyn	2,274,800	7,600	6,600	.0063
Brooklyn Savings Bank	44,463,200	70,600	59,100	.0029
Bushwick Savings Bank, Brooklyn	4,233,000	10,300	6,500	.0039
City Savings Bank of Brooklyn	1,992,400	8,100	4,400	.0062
Dime Savings Bank of Brooklyn	32,492,000	61,800	58,000	.0036
Dime Sav. Bk. of Williamsburgh, B'klyn	6,844,100	19,500	8,900	.0041
East Brooklyn Savings Bank, Brooklyn	6,231,800	22,000	6,700	.0046
Eastern Dist. Savings Bank, Brooklyn	2,956,600	8,000	7,600	.0052
East N. Y. Savings Bank, Brooklyn	2,426,100	9,600	3,700	.0054
Germania Sav. Bank of Kings Co., B'klyn	7,902,800	15,500	24,000	.0049
German Savings Bank of Brooklyn	11,990,300	24,600	10,300	.0029
Greater N. Y. Savings Bank, Brooklyn	1,781,200	6,050	9,800	.0088
Greenpoint Savings Bank, Brooklyn	5,631,700	22,600	11,900	.0061
Kings Co. Savings Institution, Brooklyn	12,174,600	31,700	9,600	.0033
So. Brooklyn Sav. Institution, Brooklyn	19,290,200	46,600	29,900	.0039
Williamsburgh Savings Bank, Brooklyn	51,505,100	81,500	105,200	.0036
MADISON COUNTY.				
Oneida Savings Bank	2,340,900	4,670	5,900	.0045
MONROE COUNTY.				
East Side Savings Bank, Rochester	7,476,700	16,700	22,800	.0052
Mechanics' Savings Bank of Rochester	3,578,400	10,100	10,100	.0056
Monroe County Savings Bank, Rochester	17,781,600	34,200	39,900	.0062
Rochester Savings Bank	21,860,000	34,800	46,600	.0037
MONTGOMERY COUNTY.				
Amsterdam Savings Bank	4,289,800	7,300	5,200	.0029
NASSAU COUNTY.				
Roslyn Savings Bank of Roslyn	1,337,000	3,500	2,500	.0044
NEW YORK COUNTY.				
American Savings Bank, New York	2,256,600	10,600	11,000	.0095
Bank for Savings in the City of N. York	90,349,400	95,200	71,500	.0018
Bowery Savings Bank, New York	100,317,100	97,300	128,000	.0022
Broadway Savings Institution, New York	9,839,200	24,600	24,000	.0049
Citizens' Savings Bank, New York	14,845,800	49,400	26,400	.0051
Dollar Savings Bank, New York	5,492,500	18,100	6,200	.0044
Dry Dock Savings Institution, New York	34,068,500	66,900	36,700	.0030
East River Savings Institution, New York	24,549,100	35,900	36,600	.0029
Emigrants' Industrial Sav. Bank, N. York	93,737,100	118,200	157,600	.0029
Empire City Savings Bank, New York	3,021,000	11,900	10,400	.0073
Excelsior Savings Bank, New York	7,736,100	26,000	19,000	.0058
Franklin Savings Bank, New York	16,611,200	37,900	23,100	.0036
German Sav. Bank in the City of N. York	68,194,200	99,100	100,500	.0029
Greenwich Savings Bank, New York	59,566,000	80,200	68,200	.0024
Harlem Savings Bank, New York	16,720,300	32,800	18,800	.0030
Irving Savings Institution, New York	20,054,500	30,800	19,200	.0024
Italian Savings Bank of the City of N. Y.	2,202,800	12,800	15,500	.0128
Manhattan Savings Institution, New York	11,240,500	39,400	38,100	.0068
Metropolitan Savings Bank, New York	9,808,000	25,400	12,600	.0038
New York Savings Bank, New York	26,024,100	49,500	30,400	.0030
North River Savings Bank, New York	8,290,100	19,500	12,800	.0038
Seamen's Bk. for Sav. in the City of N. Y.	67,114,200	60,374	87,700	.0022
Union Dime Sav. Institution, New York	25,859,200	56,400	55,700	.0043
Union Square Savings Bank, New York	8,423,400	23,400	17,500	.0048
U. S. Savings Bank of the City of N. Y.	2,764,300	9,100	6,300	.0055
Washington Savings Bank, New York	1,071,800	4,500	5,200	.0090
West Side Savings Bank, New York	2,203,300	10,600	5,100	.0070
NIAGARA COUNTY.				
Farmers & Mechanics' Sav. Bk., Lockport	4,089,200	7,800	10,500	.0084
Niagara Co. Savings Bank, Niagara Falls	394,800	1,700	1,100	.0070
ONEIDA COUNTY.				
Oneida County Savings Bank, Rome	2,161,000	6,100	2,100	.0037
Rome Savings Bank	2,720,100	8,900	6,100	.0055
Savings Bank of Utica	14,143,000	20,700	38,800	.0042

LIST OF THE SAVINGS BANKS OF NEW YORK, SHOWING AMOUNT DUE DEPOSITORS, SALARIES, AND OTHER EXPENSES, WITH RATIO OF TOTAL EXPENSES TO DEPOSITS.—(Continued.)

Bank.	Amount due Depositors.	Salaries.	Other Expenses.	Ratio of Entire Expenses to Deposits.
ONONDAGA COUNTY.				
Onondaga Co. Savings Bank, Syracuse..	23,158,200	32,800	97,000	.0056
Skaneateles Savings Bank...............	840,800	3,000	1,800	.0057
Syracuse Savings Bank..................	12,682,600	23,500	44,500	
ORANGE COUNTY.				
Cornwall Savings Bank..................	303,000	840	450	.0042
Goshen Savings Bank....................	1,147,000	3,300	1,300	.0040
Middletown Savings Bank................	2,640,000	5,300	2,900	.0031
Newburgh Savings Bank..................	10,843,500	19,600	13,900	.0030
Walden Savings Bank....................	833,900	2,800	1,100	.0046
Warwick Savings Bank...................	1,262,900	2,500	1,200	.0029
OSWEGO COUNTY.				
Fulton Savings Bank....................	1,318,600	4,000	3,000	.0053
Oswego City Savings Bank...............	2,563,600	6,700	3,700	.0040
Oswego County Savings Bank.............	2,620,000	5,900	2,900	.0033
PUTNAM COUNTY.				
Putnam County Savings Bank, Brewster	584,700	1,600	1,100	.0046
QUEENS COUNTY.				
College Point Savings Bank.............	1,138,600	4,400	2,300	.0058
Jamaica Savings Bank...................	3,779,500	7,400	14,900	.0059
Long Island City Savings Bank..........	4,235,200	10,800	7,600	.0043
Queens County Savings Bank, Flushing..	2,054,300	6,700	3,200	.0048
RENSSELAER COUNTY.				
Troy Savings Bank......................	11,864,000	14,300	33,800	.0040
RICHMOND COUNTY.				
Richmond Co. Sav. Bk., W. New Brighton	728,800	4,400	3,700	.0111
Staten Island Savings Bank, Stapleton...	2,971,600	9,900	12,600	.0075
SCHENECTADY COUNTY.				
Schenectady Savings Bank...............	6,694,800	18,500	10,200	.0042
SENECA COUNTY.				
Seneca Falls Savings Bank..............	645,900	2,500	1,200	.0057
SUFFOLK COUNTY.				
Riverhead Savings Bank.................	5,144,200	8,400	9,600	.0034
Sag Harbor Savings Bank................	1,529,300	3,000	2,400	.0035
Southold Savings Bank..................	4,292,400	9,500	8,200	.0041
Union Savings Bank of Patchogue.......	1,543,900	3,800	2,600	.0041
TOMPKINS COUNTY.				
Ithaca Savings Bank....................	2,752,300	8,500	7,400	.0057
ULSTER COUNTY.				
Ellenville Savings Bank................	1,596,900	2,900	2,900	.0036
Kingston Savings Bank..................	2,400,400	5,600	4,800	.0043
New Paltz Savings Bank.................	1,431,000	3,400	2,400	.0040
Rondout Savings Bank, Kingston........	2,650,200	5,600	5,500	.0041
Saugerties Savings Bank................	1,504,100	2,400	3,500	.0039
Ulster Co. Savings Institution, Kingston.	3,394,800	4,800	8,600	.0039
WESTCHESTER COUNTY.				
Eastchester Savings Bank, Mount Vernon	1,517,100	6,200	1,300	.0049
Greenburgh Savings Bank, Dobbs Ferry.	358,200	1,800	1,700	.0097
Home Savings Bank, White Plains.......	2,957,400	9,800	7,300	.0057
Peekskill Savings Bank.................	4,465,500	9,100	8,500	.0039
People's Sav. Bk. of the Town of Yonkers	4,899,700	9,200	5,400	.0029
Port Chester Savings Bank..............	2,655,400	6,600	5,000	.0043
Sing Sing Savings Bank, Ossining........	3,048,300	5,700	4,900	.0034
Union S. Bk. of West'ter Co., Mamaroneck	493,100	2,400	2,000	.0089
Westchester Co. Sav. Bank, Tarrytown..	3,519,200	7,400	6,800	.0040
Yonkers Savings Bank...................	5,669,900	12,500	12,900	.0044

SPANISH BANKING CHANGES.

CONSUL LOUIS J. ROSENBERG makes the following report from Seville on changes in banking affairs at that Spanish city:

On May 8, the Banco Hispano-Americano opened a branch office here. This institution was organized in October, 1900. It has a capital stock of 100,000,000 pesetas (pesetas = 16.8 cents), of which 40,000,000 is paid up. Its main office is at Madrid. The branch office at Seville is at Calle Sierpes No. 91, and is a beautiful newly constructed three-story brick building, for which the bank paid 490,000 pesetas.

On May 15 the Banco de Andalucia of Seville was merged into the Banco de Cartagena, which will occupy the same offices. The latter bank has a capital stock of 10,000,000 pesetas, all of which is paid up. Its home office is Cartagena and it has branch offices in Andalusia and North Africa.

BORROWED NOTES.

Mrs. Howells—"How much does your husband earn a week?"

Mrs. Growells—"Oh, anywhere from $15 to $25 more than he gets."—*Chicago News.*

+

Little bank went
To the wall;
Cashier gambled—
That was all.
—*Birmingham Age-Herald.*

+

Indignant Citizen (one of many).—"What's the matter with yer? Crazy? What yer want t'kick that man for—wasn't he hurt enough when the car hit him?"

Trembling Citizen—"Don't be too hard on me, gentlemen. I'm a victim of habit. For six months I've been the receiver for a busted bank."—*Puck.*

+

She—"I think it very strange that man was made first."

He—"Quite the natural order. Money has to be made before a woman can spend it."—*Exchange.*

+

Several leading New York banks have decided that they don't want government deposits if they have to pay interest on them. How times have changed recently!—*Atlanta Journal.*

+

"My dear friend, I must ask you to lend me at once a dollar; I have left my purse at home, and haven't a cent in my pocket."

"I can't lend you a dollar just now, but can put you in the way of getting the money at once."

"You are extremely kind."

"Here's a nickel; ride home on the trolley and fetch your purse."—*Chicago Journal.*

+

"I am beginning to think that, after all, Socialism is the only equitable and just——"

"Great Scott, old man, are you as broke as all that?"—*London Globe.*

When a bank in a little Kentucky town was closed the other day, it was found that not one cent in coin or paper was in the bank. The banker who succeeded in keeping the doors open to that point was a genius and should have a great future.—*Charleston News and Courier.*

+

This is the financial situation in every home: His money is ours, and hers is her own.—*Atchison Globe.*

+

"How do you check your wife's expensive tastes?"

"Just draw 'em blank to her order and let her fill 'em in."—*Boston Transcript.*

+

He—"I told your father I could offer you an honored name."

She (eagerly)—"Yes, and what did he say?"

He—"He wanted to know what bank it would be honored at and for how much."—*Boston Transcript.*

+

Jack—"Mr. Lay Zee married Mrs. Koyne for her money, so that he wouldn't have to work."

Joe—"How did he succeed?"

Jack—"He's working harder than ever."

Joe—"What for?"

Jack—"To get the money."—*Des Moines Register and Leader.*

+

"I want you," said the stage manager, "to play the part of a banker, and I want you to try to play it with a touch of originality."

"All right" responded Yorick Hamm, "I'll leave off the mutton-chop whiskers."—*Kansas City Journal.*

+

Hard cash is awfully hard to do without. —*Chicago News.*

TRUST COMPANIES

Conducted by Clay Herrick.

LEGISLATIVE RESTRICTIONS ON LOANS AND INVESTMENTS.

MOST of the States having general trust company laws impose certain restrictions upon the loans and investments which trust companies may make, the provisions being in several instances the same as those for banks. Regarding loans, the matters most commonly covered are the amounts that may be loaned to any one interest, the regulations as to loans to directors, officers or employees, and the forbidding a company to make loans upon the security of its own stock.

DISCOUNTS.

The widest difference in legislation regarding loans is found in the matter of discounts, which in about half of the states are permitted to trust companies as freely as to other banks; while other states absolutely forbid trust companies to discount commercial paper. The differences in this particular naturally follow the characteristic functions of the trust company in the various states: some regarding it as practically a state bank with added powers and hence entitled to all banking powers, while others tend to restrict it more closely to savings and trust functions.

LOANS ON THE COMPANY'S STOCK.

The principle that it is not sound business for a bank or trust company to make loans upon the security of its own capital stock is steadily gaining recognition, and the wonder is that prohibition of such loans is not found on the statute books of all the states. At present, some twenty-odd states specifically forbid trust companies to make such loans, or to purchase their own stock. The Massachusetts statute, which is almost identical with that of a number of other states, reads as follows:

No such corporation shall make a loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months after its purchase, be sold or disposed of at public or private sale.

New Jersey gives one year instead of six months in which to dispose of the stock: Maine provides that it must be sold "within a reasonable time." West Virginia permits loans of this character up to fifty per cent. of the capital stock; but the balance of its statute reads like that of Massachusetts.

LOANS TO ONE INTEREST.

The maximum amount that may be loaned to any one person, firm or corporation varies in different states, being usually from ten per cent. of the paid capital or of the paid capital and surplus to twenty per cent. of the same. In one case (Idaho) the limit is fifty per cent. of the capital, surplus and undivided profits. The limit is ten per cent. in seven states, fifteen per cent. in two states, twenty per cent. in seven, twenty-five per cent. in two and fifty per cent. in one. The limitation usually concerns unsecured loans, and the

prohibition is not absolute, but subject to several modifications. As a rule, bona fide discounts and loans secured by mortgage or satisfactory collateral are not, for this purpose, to be considered as money borrowed. Sometimes a degree of discretion is allowed to the board of directors or the investment board when acting unanimously. Thus, in Alabama, the limit is ten per cent. of the capital, surplus and undivided profits, "unless such loan is amply secured by good collateral"; in Maine, the limit is ten per cent. of the capital, unimpaired surplus and net undivided profits, but this limit may be raised to twenty-five per cent. upon the approval of a majority of the entire investment board; it being required, however, that the records shall show who voted for such excess loans.

Where the loans are made upon bona fide discounts or are secured by satisfactory collateral or mortgage, many of the states place no limitation upon the amount of the loans. Some states do, however, an example of the more conservative statutes being that of Connecticut, which reads as follows:

> The total liabilities to any state bank or trust company of any person, corporation or firm, for money borrowed, including in the liabilities of a firm the liabilities of the several members thereof, shall at no time exceed ten per cent. of the amount of the capital stock of such bank or trust company actually paid in and its surplus and undivided profits combined. * * * The provisions of this section shall not apply to loans secured by collateral, so long as the market value of such collateral shall exceed by twenty per cent. the total liabilities secured in each case by such collateral, but no loan on collateral shall at any time exceed twenty per cent. of the amount of the capital stock of such bank or trust company actually paid in and its surplus and undivided profits combined, and the total loans to any one person, corporation or firm, including in the liabilities of the firm the liabilities of the several members thereof, shall at no time exceed twenty per cent. of the capital, surplus and undivided profits combined of such bank or trust company. * *

In New York, the statute covering this matter, as amended by chapter 169 of the laws of 1908, provides as follows: The limit is one-tenth of the paid-in capital and surplus; but a bank or trust company in New York City may loan twenty-five per cent., and a bank or trust company located elsewhere in the state may loan forty per cent., "upon security worth at least fifteen per centum more than the amount of the loans": or, a bank or trust company may loan ten per cent. as first provided, and if located in New York City may loan a further sum not exceeding fifteen per cent., and if located elsewhere in the state may loan a further sum not exceeding thirty per cent., upon security worth at least fifteen per cent. more than the amount of such loan so secured: provided further, "that a bank or trust company may buy from, or discount for, any person, company, corporation or firm, or loan upon, bills of exchange drawn in good faith against actually existing values, or commercial or business paper actually owned by the person negotiating the same, a sum not exceeding" twenty-five per cent. of its capital stock actually paid in and surplus, if located in New York City, or forty per cent. if locacated elsewhere in the state: provided further, however, "that with the exception of the liability of the United States, of this state, or of any county or incorporated city of this state the total liability of any person, company, corporation or firm to a bank or trust company shall not exceed" twenty-five per cent. of the actually paid in capital and surplus, if the bank or trust company be located in New York City, or forty per cent. if located elsewhere.

Loans to Directors, Officers or Employees.

In all kinds of banking institutions, a fruitful source of loss has been the indiscriminate making of loans to directors, officers or employees, and it is gratifying to note that there is a growing sentiment in favor of strict regulations regarding such loans. Some twenty-five of the states now have statutes defining the conditions under which these loans may be made by trust

companies. In some states, the statutes fix a maximum limit to the amount of such a loan that is permitted, while in others the matter is left to the discretion of the board of directors, but with provisions requiring that the application be submitted to the board.

In Alabama, no loan may be made to a salaried officer or employee "without good security"; in Colorado, no director may borrow in excess of ten per cent. of the capital and surplus without the prior recorded consent of a majority of the directors other than the applicant, and no officer, whether director or not, may borrow any sum whatever without the consent of the board, obtained and recorded in like manner.

Connecticut provides that no state bank or trust company shall discount any paper made, accepted or indorsed by any of its executive officers or clerks, or by any partnership of which any one of such officers or clerks is a member: that no director may borrow to exceed five per cent. of the paid capital, surplus and undivided profits, and that the directors may not borrow in the whole to exceed twenty per cent. of same. The provisions do not apply to loans on collateral worth twenty per cent. more than the loans, but such loans on collateral to any one director may not exceed ten per cent. of the capital, surplus and profits.

Georgia permits no loan to an officer "without good collateral or other ample security"; and when such a loan exceeds ten per cent. of the capital it must not be made until approved in writing by a majority of the board of directors.

In Illinois, banks, including trust companies doing a banking business, are forbidden to loan to salaried officers or employees, or to corporations or firms controlled by them or in the management of which they are actively engaged, until the application for the loan, both as to security and amount, has been approved by the board of directors. Indiana forbids loans or overdrafts to directors or officers, and makes any officer ~~or director~~ illegally taking a loan from his company guilty of a misdemeanor. Louisiana permits no loans to officers or employees unless first approved by the directors at a meeting at which the applicant is not present.

In Maine a loan to an officer, director or employee must first be approved by a majority of the entire board of directors or executive committee, and no member of the board or committee who is interested in the loan or associated with the borrower relative thereto may be counted as voting for the loan. New Jersey requires that before a loan is made to a director, officer or employee the application must first be made in writing and be approved by a majority of the board of directors or of the executive committee present at a meeting. It absolutely forbids overdrafts to said parties, and makes violation of these provisions a misdemeanor.

In New York no director, officer or employee may borrow, directly or indirectly, without the approval of a majority of the board of directors, and every person violating this provision must forfeit for each offense twice the amount which he has thus borrowed.

The Oregon statute is unique in forbidding the State Bank Examiner or any of his employees, as well as officers or directors of a company to receive loans from it unless the application has first been approved by a majority of the board of directors and entered on their minutes. Every director assenting to such a loan made in an excessive amount or dishonest manner or incurring great risk or loss to the bank (the term banks including trust companies), shall be personally liable.

In Pennsylvania no director may borrow more than 10 per cent. of the paid capital and surplus; and the gross amount loaned to all officers and directors of a company, or to firms or houses in which they may be interested directly or indirectly, may not exceed twenty-five per cent. of the paid capital and surplus.

Washington stipulates that no loan may be made to an officer or employee unless the application is first approved by a majority of the board of directors and entered upon their minutes; for violation of this provision each director knowingly permitting it is individually liable for damages. A number of the other states have provisions regarding this matter similar to the above in their general tenor.

Mortgage Loans as "Quick Assets."

The traditional view of the mortgage loan is that it stands near the top as a safe form of investment, but that it is distinctly a means of tying up funds for a long time. It is safe,—but it isn't a "quick asset." There are signs that some people are beginning to question the correctness of the traditional view. During the panic days of last fall, experience in many places proved that in such a time the well-selected mortgage loan not only is safe, but not infrequently may be converted into cash quite as quickly as bonds or stocks, and sometimes as quickly as commercial paper or collateral loans secured by bonds or stocks. In some places where bonds and stocks were difficult to dispose of even at bargain figures, the mortgage loan of not over fifty per cent. on desirable property was not only salable, but salable at par and accrued. It showed itself in fact, if not in theory, a decidedly quick asset. If one must wait for the maturity of the paper, there can be, of course, no doubt about the mortgage being a slow form of investment; but in those communities where the mortgage is a favorite form of investment and hence can be sold to private investors, it is worth considering whether it is really so "slow" an asset as tradition has taught us.

(*To be continued.*)

A POWER IN WALL STREET.

In his "Fifty Years in Wall Street," just published, Henry Clews has the following to say about a great power in the Street:

Another factor too, has developed in the Street that prevents the usual excitement and hurly-burly incident to a rising market. This is the absence of a pronounced central figure or controlling force. Usually a boom centres about some one man who stands boldly out in the open, or whose hand it is known is manipulating values. At present the manipulation is being carried on in a method that is as quiet as it is novel and unusual. That the market is being manipulated is apparent enough, even to the most casual observer. But the source of this manipulation is probably known only to a few; all others are but students in the Street. They know that a new order has come and that this order is due to the most powerful and resistless influence that has ever manifested itself in Wall Street. This influence is very largely composed of the Standard Oil Combination who have introduced in their Wall Street operations the same quiet, unostentatious, but resistless measures that they have always employed heretofore in the conduct of their corporate affairs. Beside this group, every man, or combination of men that has ever operated in the Street are materially belittled by comparison. The heretofore conspicuously big operators that have flashed up and across the horizon appear comparatively small beside the men who are running things for us now.

At his best, Jay Gould was always compelled to face the chance of failure. Commodore Vanderbilt, though he often had the Street in the palm of his hand, was often driven into a corner where he had to do battle for his life, and so it has been with every great speculator, or combination of speculators, until the men who control the Standard Oil took hold. With them, manipulation has ceased to be speculation. Their resources are so vast that they need only concentrate on any given property in order to do with it what they please. And that they have so cencentrated on a considerable number of properties outside of the stocks in which they are popularly credited with being exclusively interested, is a fact well known to every one who has opportunities of getting beneath the surface. They are the greatest operators the world has ever seen, and the beauty of their method is the quiet and lack of ostentation with which they carry it on. There are no gallery plays, there are no scareheads in the newspapers, there is no wild scramble and excitement. With them the process is gradual, thorough and steady, with never a waver or break. How much money this group of men have made, it is impossible even to estimate. That it is a sum beside which the gains of the most daring speculator of the past were a mere flea-bite, is putting the case mildly, and there is an utter absence of chance that is terrible to contemplate. This combination controls Wall Street almost absolutely. Many of the strongest financial institutions are at their service in supplying accommodations when needed. With such power and facilities it is scarcely conceivable what these men must be making, what they can do on either side of the market. So far, fortunately, their manipulations have all been one way, upwards, and in conjunction with the general prosperity it has resulted in making large sums of money for nearly everybody in the Street.

PRACTICAL BANKING

EXPENSE FOR REDEMPTION OF NATIONAL BANK NOTES.

By James P. Gardner.

THE copy of the last circular forwarded by the Treasury Department to the national banks for the respective assessment pro rata for the redemption of their notes, will be found of interest to bank officials that have not yet forwarded notes to Washington for such a purpose. A careful reading of its contents will enable an official not familiar with the workings of this department of the Government to understand clearly the method adopted by the Treasury Department:

ASSESSMENT FOR EXPENSES—1907.

TREASURY DEPARTMENT.

OFFICE OF THE TREASURER OF THE UNITED STATES, *Washington.*

Cashier,

SIR: "The charges for transportation and the costs for assorting" the notes of national banks redeemed during the fiscal year ended June 30, 1907, under the act approved June 20, 1874 (18 Statutes, 123), were as follows:

Charges for transportation incurred on national bank notes received for redemption and on the redeemed notes, fit for use, sent to banks of issue....		$73,101.56
Costs for assorting:		
Salaries—		
Office of Treasurer of the United States	$123,145.38	
Office of Comptroller of the Currency	28,332.39	
Printing, binding, and stationery....	5,909.36	
Contingent expenses.	3,161.83	
		160,548.96
Total		$233,650.52

These expenses have been assessed upon the several national banks in proportion to the circulation redeemed. The aggregate amount redeemed and assorted during the fiscal year, subject to assessment, was $236,-931,000, giving $0.98615 as the average rate for each $1,000.

The amount of the notes of your bank redeemed and assorted during the fiscal year was as follows:

Charged to five per cent. redemption account, as specified in advices of redemption..........$	....
Charged against lawful money deposited for the retirement of circulation	....
Total	....
The assessment thereon at $0.98615 per $1,000 is.......	....

This assessment has this day been charged to the five per cent. account of your bank, for which a deposit should be made in one of the following ways:

1. By a check drawn on New York, payable to the order of the Assistant Treasurer of the United States in New York, and collectible through the clearing house, forwarded directly to that officer, with instructions to deposit the amount on account of the five per cent. fund.

2. By a deposit of lawful money of the United States with the Assistant Treasurer of the United States in Baltimore, Boston, Chicago, Cincinnati, New Orleans, New York, Philadelphia, St. Louis, or San Francisco, on account of the five per cent. fund. Banks not situated in one of the above-named cities should make the deposit through their correspondents.

3. By a remittance of lawful money of the United States, addressed to the Treasurer of the United States, Washington, D. C., marked with the amount and nature of the contents, and with the words "For credit of the five per cent fund," and "Under Government contract with the United States Express Company from the nearest point of transfer." The express charges, if not prepaid, will be deducted from the proceeds of the remittance at Government contract rates.

Respectfully,

CHARLES H. TREAT,
Treasurer of the United States.

COLLECTION OF BRITISH POST OFFICE SAVINGS ORDERS.

OCCASIONALLY the country banker has presented to him for collection a pass-book of a Post Office Savings Bank payable in some town in Great Britain. While the conditions for the collection of the money are very clearly shown within the covers of the pass-book, yet unless the chief points are noted, there is very apt to be a delay abroad in payment, by reason of neglecting to comply with some of the regulations. Below will be found for the guidance of bank officials, the conditions for the withdrawal of funds of depositors in the Post Office Savings Bank of Great Britain residing abroad:

INFORMATION FOR DEPOSITORS OF BRITISH POST OFFICE SAVINGS BANK, RESIDING ABROAD.

(Adapted From Official Sources.)

A depositor who intends to reside abroad should notify "The Controller, Savings Bank Department," at London, accordingly, stating the name of the office at which the account was opened, and the number of the deposit-book. On resuming residence in Great Britain he should at once inform the Department, again quoting the particulars of his account.

AS TO DEPOSITS.

A. The system of the British Post office Savings Banks does not extend beyond the limits of the United Kingdom except in the cases of Constantinople and Smyrna.

When a person who is already a depositor is residing abroad, deposits can be made in the account by any person in this country to whom the deposit book may be entrusted for the purpose.

B. When a deposit is made for the purpose of investment in government stock, a form of application to invest, bearing the depositor's own signature, must be forwarded to the Controller, Savings Bank Department, London. The deposit-book must also be forwarded.

AS TO TRANSFERS.

C. Under the Savings Bank Act, 1904, the Postmaster General is empowerd to enter into arrangements with any Government Savings Bank authority abroad, for the transfer of deposits to, or from, the Post Office Savings Bank in Great Britain subject to the prescribed total limit of deposits. It may be ascertained on application to the Comptroller of the Savings Bank Department whether the arrangement exists in any particular country.

AS TO WITHDRAWALS.

D. In the event of a Post Office Savings Bank depositor who is abroad desiring to make a withdrawal from his account, he must sign a notice of withdrawal and execute in favor of some person in Great Britain an order on the prescribed Form, which may be had on application at General Post office, London, the signature to the order being attested by a notary public, or the British consular authority, or the duly appointed British Chaplain, or some constituted authority of the place in which the depositor may be. If the depositor is at sea the order must be attested by the master or officer in charge of his vessel, unless he is serving in the royal navy, when it may be attested by any commissioned officer of his ship. In the case of a soldier, the order must be attested by a commissioned officer. The notice, order and deposit-book must then be sent to the person authorized, who should affix his signature to the order and transmit it, with the notice and book, to the Controller, Savings Bank Department, and furnish an address to which a warrant may be sent. Payment will then be made to the person authorized on presentation of the warrant, order and deposit-book at the Post Office.

(Note: Care must be taken that the order is properly filled in and attested by a duly qualified witness, as directed above. Under "The Consular Fees [General] Order in Council", His Majesty's consuls abroad attest the signature to any document connected with the Post Office Savings Bank for the deposit or withdrawal of money, free of charge.)

E. For the convenience of depositors who desire to make a withdrawal, but have no friend in Great Britain who can act for them, it has been arranged that a depositor may, if he desires to do so, execute an order (as just explained) in favor of "The Controller, Savings Bank Department"—those words being written in the order in the place for the person authorized. The order must be properly attested by one of the witnesses as indicated and must be forward-

ed with the usual notice of withdrawal and the deposit-book to the controller, who will then receive the money on the depositor's behalf and remit it to him by post, less the cost of the remittance.

F. The signature of all the parties to a trust or joint account are required during their joint lives in the case of a withdrawal.

When one of the parties is abroad his signature and those of all the other persons whose names appear in the account must be affixed to the notice of withdrawal, but payment can be made to any one or more of the parties who may be in Great Britain, on a request to that effect being inserted in the notice or application.

When the person abroad prefers to authorize some person not connected with the account to act on his behalf, he must execute an order in favor of such person in the manner indicated in former paragraphs.

When all the parties to a trust or joint account are abroad it is necessary, in addition to the notice or application being signed by all of them, that each of them should duly execute an order or orders (in the manner already described) in favor of some person in Great Britain, or of the Controller, Savings Bank Department, all the necessary documents being forwarded to the Savings Bank Department in the manner previously indicated.

G. A minor under the age of seven years cannot execute an order, and his deposits are not repayable until he attains the age of seven.

Annual Examination of Deposit-Books.

H. The deposit-book of a depositor who is abroad need not be forwarded for the annual examination during the depositor's absence from this country. No disadvantage will arise from the interest not being entered in the book, as interest is calculated immediately after December 31 in each year, and is then added to and becomes part of the principal sum standing to the credit of the depositor in the official ledgers of the Post Office Savings Bank. The dividends on Government stock are credited to the depositor's savings bank account as they become due.

Power of Attorney.

I. A depositor can give any person in this country control over his account by means of power of attorney, duly executed on the prescribed form, which can be obtained on application to the Controller, Savings Bank Department.

CANADIAN BANKING METHODS.

SOME of the methods of banking in Canada differ from our own, and therefore the following description of them will be found of interest to American readers. It is taken from an address by E. A. McDonald, before the Buffalo Chapter of the American Institute of Banking, published in "The Bulletin":

Making Deposits.

A customer named Jones goes into a bank to make a deposit. Having sorted his currency in order of denomination and so listed it on the deposit ticket, he hands it in at the receiving teller's wicket which includes the letter J. and having seen the teller count it, initial his slip and pass it to the ledger, steps along to the ledger wicket which includes the same letter, which would naturally be the next in rotation along the counter, and has his deposit entered in his pass-book as well as the amounts of checks charged to his account since his pass-book was last in. In most pass-books there is a balance column which would be filled in to date. If he were a savings depositor he would, of course, go to the respective wickets of the savings bank department, for every bank in Canada has its savings department, the only competition in this department of any serious account being the Dominion Government Post Office Savings Bank.

Cashing Checks.

The person who enters the bank for the purpose of cashing a check, goes first to the proper ledger wicket to have it certified, then endorses it and passes it to the paying teller and receives his money always in currency of the issue of that bank unless he requests otherwise. If the check to be cashed were drawn on any other than that bank, he would, instead of presenting it first to the ledger, present it to one of the senior officers, usually the accountant, to have it initialed by him as the teller's authority for cashing it. The teller immediately upon cashing the check on his own bank, cancels it with his "paid" stamp which bears the date of payment, and sometimes also by scoring a line through the signature. After the checking officer is through with the checks and they have been journalized and are ready to file, they are also perforated "paid."

Certifying.

The certifying of a check by a Canadian bank is such a trivial matter that it may be well to explain it. When the ledger-keeper receives a check through his wicket, he immediately charges it to the drawer's account, affixes his initial and the bank stamp of certification (which in business hours he keeps as convenient as his ink-well) and hands it back to the person presenting. Where the loose-leaf system is not in use, his initial would be accompanied by the folio number. Of course, where the amount was so carelessly written as to permit of being raised the L. K. would fill in the vacant space by scoring a line. In checking the ledger entries, which is daily done by one of the senior officers, any check certified but not cashed would appear as outstanding and would lack the checking officer's initial. So when the usual fortnightly balance is taken out, all debit entries not initiale.. are listed together as outstanding checks and the total added to the total of credit balances. The certification stamps of some banks bear the words "good for — days only" but this is only to prevent people from holding them indefinitely as certificates of deposit. As a matter of fact the funds are held indefinitely unless the drawer proves the check lost and gives a bond of indemnity for the certification of its duplicate. This system of readily certifying checks saves the paying teller from calling book-keepers to O. K. checks and the consequent congestion of customers at his wicket, saves the book-keeper from having to turn to the account twice and makes it unnecessary to have more than one clearing a day. When this comes in, in the morning, a large percentage of the checks have been previously certified and need not be referred to the ledger. Returned items must be back by 12 o'clock, but in most cities checks returned for endorsement may be returned the following day. The clearing also contains all the currency of the receiving bank's issue taken in by the transmitting bank (for banks obviously circulate only their own currency) also any out-of-town checks, for which that bank by having an office there, would be the agent of collection. In towns where there are not enough banks to establish a clearing house, or common place of clearing, the same system of exchange is carried on with equal ease. Where there are different branches of the same bank in a city, only the central branch would belong to the clearing house.

Accounting Methods.

Going back to the receiving of deposits, the rule that the teller is not allowed to enter deposits in customers' pass-books has forced itself upon all of the larger banks for their own protection against the teller, willingly or unwillingly, forgetting to credit up deposits of customers, who are often too ignorant or careless to make out their own deposit tickets, or whose accounts he knows to be sufficiently inactive to enable him to finance on it for awhile; and for the protection of the teller himself against his own forgetfulness in a rush. The customer usually prefers to have his book compared with the ledger. This rule together with the one that the ledger-keeper before making an entry in the pass-book must first make it in his own ledger, in addition to being a check against crediting the wrong account keeps the ledger strictly up-to-date. If the exchange clerk of the Marine were here who ridicules us for returning ten checks and recalling seven, I am sure he would appreciate this rule. But this was no worse than when, on the following day, he wasted fully fifteen minutes ascertaining whether one of their customers had deposited to meet a check held by us. Cancelled vouchers are returned, as here, usually at the end of each month. Another very important advantage of having the ledger wickets along the front rail is to have the ledger-keeper become acquainted with the bank's customers. The personal acquaintance with depositors is of great assistance to the intelligent handling of an account, affording the side-hints and assistance to the memory frequently of value in detecting forgeries, etc.

A FEW DON'TS FOR THE OUT-OF-TOWN BANKER.

IT would greatly facilitate the handling of the great volume of mail received by the large New York banks from their out of town correspondents if the few simple rules given below were complied with:

Do not include foreign money in your cash footing; you may approximate the amount but in all probability there will be a slight change which will make it necessary to correct your figures later. Forward such money for collection by registered mail.

Do not list coupons with your cash items. Send them in a separate letter by registered mail.

Do not include in your cash letter sight drafts payable in Massachusetts or Rhode Island. Such items are subject to three days grace.

Do not list as cash documentary drafts subject to "arrival of goods." Such items frequently are unpaid for several weeks.

Do not instruct your correspondent, "items marked X are no protest" or "protest all items except those marked X" or "all items are no protest except those marked X" which instructions call for a certain amount of reasoning in each instance to determine whether the item is subject to protest or not. Write plainly on your letter "no protest" on such collections, for where these instructions are omitted, nothing being said to the contrary on the letter, it is always understood that the items are subject to protest.

Do not fail to instruct your correspondent regarding the release of papers accompanying drafts whether they are to be released upon acceptance of the draft or retained for payment.

With these suggestions before one, it will be possible often to save the expense of a telegram.

A FEW POINTERS IN HANDLING FOREIGN DRAFTS.

ALL foreign bills of exchange or checks sent in for collection or for sales must be indorsed in writing; rubber stamp indorsements are not recognized by foreign bankers.

In sending in foreign checks or bills of exchange, out of town bankers should instruct their New York correspondents whether such are sent in for collection and for credit only upon receipt of advice of payment from abroad, or whether they wish credit immediately upon receipt. In this case of course the usual recourse may be made upon them in event of non-payment.

REGISTERED COUPON BONDS.

CARE should be taken in handling coupon bonds reading payable to "bearer," yet which at the option of the holder are subject to registration. Such coupon bonds in the event of their registration, come under the regulations governing registered bonds, accordingly when such bonds are tendered for collection or lodged as collateral see that this point is allowed for by assignment or by transfer.

PROTEST IN CUBA.

ON account of the expense of protests upon bills of exchange drawn on Cuba, it is the general understanding by New York bankers in forwarding such items to the various cities of the island that, unless instructed to the contrary, items are not to be protested for non-acceptance or for non-payment.

NATIONAL GRANGE BANKS.

CONCERNING these institutions, a recent dispatch to the New York "Journal of Commerce" says:

Referring to criticisms of the use of the term "national grange banks" by some officers of the Treasury Department, members of the staff of the Comptroller of the Currency have called attention to the nature of the institutions referred to. They stated that there are some six or eight national banks which have assumed the word "grange" as a part of their titles, designating themselves as "First National Grange Bank of such and such a place," etc. Other national banks have been organized by members of national granges for the special purpose of meeting the needs of members of such granges and of getting their business. All these banks are organized after precisely the same plan as other national banks, are examined in the same way, and are in no way different from them or recipients of exceptional treatment of any kind whatever.

Referring to the alleged large profits made by these banks, said in an alleged interview in New York to amount to "1200 per cent.," the officials repudiated the statement as absurd and asserted that it could never have been made. They added that what had been stated was that the small banks of \$25,000 capital had been successful in accumulating on the average a surplus of 20 per cent. during the eight years since their first organization and that this fact had been referred to by Treasurer Treat and other officers of the department in a statistical way for the purpose of illustrating the stability and success of the smaller banks under the national banking system. It is stated that most of the "national grange banks" are in the \$25,000 class.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

FORGED INDORSEMENT—ACTION AGAINST BANK CASHING CHECK.

TIBBY BROS. GLASS CO. vs. FARMERS & MECHANICS BANK OF SHARPSBURG.

SUPREME COURT OF PENNSYLVANIA JAN. 6, 1908.

Where a bank has cashed a check upon a forged indorsement the payee cannot maintain an action against such bank to recover the money collected by it upon the check.

FOR some time prior to November 25, 1902, the plaintiff kept an account with the defendant, and in making a deposit of a check used a rubber stamp for indorsing it; the indorsement by the stamp being in the following form: "Pay to the order of Farmers' & Mechanics' Bank of Sharpsburg, Pa. Tibby Brothers Glass Co." This stamp was used only to indorse checks for deposit, and not for the cashing of checks. The plaintiff company ceased to deposit with the defendant bank on or about November 25, 1902; but before and after that date it drew checks on the bank. About the middle of September of that year the plaintiff employed a bookkeeper who continued in its employ until December 24, 1904, when he absconded. While the plaintiff was a depositor in the bank it was the duty of the bookkeeper to make up the deposits for the bank, and he was authorized to stamp the indorsement upon the back of the checks and deposit them with the bank to plaintiff's credit. From April, 1903, to the time he left the service of the plaintiff company, the bookkeeper presented to the defendant bank several checks drawn to the order of the plaintiff by its customers and indorsed with the rubber stamp, and received the cash for the face of the checks without the knowledge, consent, or authority of the plaintiff company, and without accounting to it for the proceeds of the checks. These checks were received by the plaintiff, the payee, and credited to the account of the several drawers. The defendant collected the checks through a clearing house, and had the amount thereof at the date of the bringing of this suit. The plaintiff company presented the checks for payment to the defendant, and, payment being refused, it brought this action of assumpsit, basing its right to recover on an implied contract that the moneys held by the defendant bank were for the use of the plaintiff. The case was submitted to the jury, and a verdict was rendered for the plaintiff. The court, however, subsequently entered judgment non

obstante veredicto for the defendant bank, and the plaintiff appealed.

Mestrezat, *J.*: The plaintiff company contends that it sustained such relations to the defendant and to the moneys collected by the defendant on the checks as entitled it to recover. It raises no question of the acceptance of the checks by the drawee banks. We think the plaintiff's position is untenable, and that, under the facts of the case, the plaintiff cannot maintain this action against the defendant bank. The checks in question were not drawn upon the defendant, but upon various other banks. The defendant simply cashed them on the forged indorsements of the payee's name, paid the several amounts to the defaulting bookkeeper, and collected the amount of the checks through a clearing house. In this state there is no contractual relation between the payee of an unaccepted check and the bank on which the check is drawn, and no action will lie by the payee in his own name against the bank, although it has sufficient funds of the drawer at the time payment is refused. (Saylor vs. Bushong, 100 Pa. 23; First National Bank vs. Shoemaker, 117 Pa. 94.)

A check is neither a legal nor an equitable assignment or appropriation of a corresponding amount of the drawer's funds in the hands of the drawee, and it gives the payee no right of action against the drawer, nor any valid claim to the funds of the drawer in his hands. (Harrisburg National Bank's Appeal, 10 Wkly. Notes Cas. 41.) The reason why the payee of a check cannot recover from the drawee bank is, as shown by the cases, that there is no privity of contract or other relations existing between the payee and the bank which establishes an obligation to pay, or from which an assumption to pay arises.

A check is only conditional payment until it is paid, and, in the event of non-payment, the holder may resort to the original indebtedness. (2 Bolles on Modern Law of Banking, 600.) Until, therefore, the check has been presented to the bank and it has been accepted, which must now be in writing, there is no relation between the payee and the bank which establishes the former's right to an action. The amount of the check on deposit with the bank continues to be the money of the drawer and subject to his check; and, if on presentation of the check the bank refuses for any reason to accept and pay, the payee still has recourse to the drawer of the check for the amount of his indebtedness.

None of the checks in question, as we have seen, was drawn upon the defendant bank. It simply cashed the checks with the forged indorsements made by the bookkeeper, and collected the money from the drawee banks. The action of the defendant in cashing the checks puts it upon no better ground than if it had been the drawee bank, and establishes no relations between it and the plaintiff company that would warrant the latter in maintaining an action for the recovery of the amount of the checks. A non-drawee bank is under no obligations whatever to pay a check, and it does so at its peril. (2 Bolles on Modern Law of Banking, 728, 729.) The plaintiff's contention is, however, that the defendant having received the money of the plaintiff company due on the several checks drawn to its order by its customers, and the plaintiff having given credit to its customers for the amount of the checks, the defendant is liable in this action for money had and received for the use of the plaintiff. Its contention wholly misapprehends the relations of the parties, as well as their rights and obligations arising out of the transaction. We may assume that the defendant bank received the amounts of the several checks through a clearing house from the banks on which they were drawn. This fact, however, does not convict the defendant of having received the money of the plaintiff, or having received money for the use of the plaintiff.

As we have already seen, if these checks had been presented to the

drawee banks and the money had been paid on the forged indorsements and charged against the deposit account of the drawers, the plaintiff would have no right of action against the drawee banks. And, for the reason that the checks not having been accepted in writing, there was no contractual relation or privity between the parties. The money paid on the checks would not be the money of the drawer of the checks. It would be the money of the banks which paid it. Such is the case here. If the defendant bank received the money on the checks from the drawee banks, the latter did not pay the money out of the deposits of the drawers of the checks, but out of their own money, and hence the money which the defendant received was not the money of the drawers of the checks nor was it the money of the plaintiff. Neither was it received for the use of the plaintiff. The drawers of the checks and the payee were in no way affected by the payment of the amount of the checks by the drawee banks to the defendant bank on the forged indorsements. The deposits of the drawers on which they had drawn the checks were still their money, and the indebtedness of the drawers to the payee for which the checks were given still existed and warranted an action by the payee against his debtors, the drawers of the checks. The collection of the checks by the defendant bank from the drawee banks did not constitute a payment by the latter of the drawers' checks, and hence left intact the drawers' deposits, unaffected by the checks which they had drawn and delivered to the payee. The plaintiff's right of action against the defendant bank is not superior to its right of action against the drawee banks. The money paid the defendant on the several checks was the money of the drawee banks in which neither the drawers of the checks nor the plaintiff had any interest, and, having been paid on forged indorsements, it may be recovered from the defendant by the paying banks. The defendant, therefore, has received no money for or on account of the plaintiff company and for which in good conscience it should account to the plaintiff.

The fact, if it be a fact, that the bookkeeper entered a credit on the plaintiff's books for the amount of the different checks, does not affect the liability of the defendant in this action. The payment of these checks on the forged indorsements was not a payment to the plaintiff, the payee of the checks. So far as the plaintiff company is concerned, the checks are still unpaid, and it has a right of action against its customers for the indebtedness. Under the facts of the case, we are of the opinion that the plaintiff has shown no right to maintain this action, and that the learned trial judge did not commit error in entering judgment in favor of the defendant bank.

The assignments of error are overruled, and the judgment is affirmed.

NATIONAL BANK — CONTRACT OF GUARANTY—CHECK CERTIFIED AS GUARANTY.

FIDELITY & DEPOSIT COMPANY OF MARYLAND vs. NATIONAL BANK OF COMMERCE OF DALLAS.

COURT OF CIVIL APPEALS OF TEXAS, DEC. 21, 1907.

A national bank has no power to certify an instrument in the form of a check drawn upon it, but reciting that the instrument is to indemnify a surety for such amount as he may have to pay in case of the breach of a contract.

Such an instrument is not a check, but in the nature of a guaranty, and is therefore within the rule that a national bank has no authority to enter into contracts of guaranty.

THIS action was brought upon an instrument in writing in the following form:

"The National Bank of Commerce, Dallas, Texas, June 10, 1901. $10,159.00. The National Bank of Commerce of Dallas, Texas. On failure on our part to comply with a certain con-

tract existing between the First National Bank Building Company, Limited, of Shreveport, La., and ourselves, in which we agree to erect a certain building for them in Shreveport, La., and the further condition that the Fidelity & Deposit Company of Baltimore City, Maryland, who have become our surety in said bond, have become legally liable on said bond, then and in that event pay to said Fidelity & Deposit Company any amount they may legally have to pay under their said bond, not exceeding the sum of $10,159.00 (ten thousand one hundred and fifty-nine dollars). Otherwise this cheque to be void and held for naught. [Signed] Sonnefield & Emmins. No. 450. Certified as per terms and conditions herein expressed. [Signed] J. B. Adoue, Prest. J. D. Estes, Cashier."

TALBOT, *J.:* (Omitting part of the opinion).

Appellant contends, in effect, that the instrument declared on is a check certified by the bank in the usual course of banking business, and fixed the liability of the bank thereon upon the happening of the contingency expressed upon its face. This proposition is controverted by appellees, and the position taken that the contract sued on, so far as the bank is concerned, is a surety or indemnity obligation, indemnifying appellant to the extent of $10,159 against liability and loss arising from default of Sonnefield & Emmins in the performance of the contract with the first National Bank Building Company, Limited, for the erection of a building in Shreveport, La., and is ultra vires, and not binding upon the bank.

We think it clear that the instrument in question is not a commercial check, certified in the usual course of business, and that the principles applicable to such checks cannot be invoked to fix liability on the bank. Indeed, we think it is plain from the face of the instrument that it is a check or order drawn and certified entirely outside of the usual course of banking business. Mr. Daniel, in his work on Negotiable Instruments, vol. 2, § 1566, defines a check as follows: "A check is a draft or order upon a bank or banking house, purporting to be drawn upon a deposit of funds for the payment at all events of a certain sum of money, to a certain person therein named, or to him or his order or to bearer, and payable instantly on demand."

Tested by this definition, the instrument sued on is lacking in more than one of the essential characteristics of this species of commercial paper. It is not for the payment of a certain specified sum of money, nor is it payable instantly on demand. Neither is any amount by the terms of the instrument payable at all events. On the contrary, the amount agreed to be paid is uncertain, and dependent on condition that the drawers shall fail to comply with the terms of a certain building contract existing between them and a third party, namely, the First National Bank Building Company, Limited, of Shreveport, La., and on the further condition that the drawee (appellant) as surety on the drawer's bond for the faithful performance of said contract shall have become legally liable on said bond. The text-writers differ in their definitions of a check, some falling short, it is said, "of giving all its distinguishing qualities, and some ascribing to it qualities which it is not absolutely necessary that it should possess;" but the definition quoted is sustained by many authorities, among which are the following: (Blair & Hoge vs. Wilson, 28 Grat. [Va.] 170; Ridgely Bank vs. Patton, 109 Ill. 484; Harrison vs. Nicollet Nat. Bank, 41 Minn. 489, 43 N. W. 336, 5 L. R. A. 746, 16 Am. St. Rep. 718; Oyster & Fish Co. vs. Bank, 51 Ohio St. 106, 36 N. E. 833; Exchange Bank vs. Sutton Bank, 78 Md. 577, 28 Atl. 563, 23 L. R. A. 173; Kavanaugh vs. Bank, 59 Mo. App. 540.)

That it shall be payable instantly on demand and unconditionally for a sum certain are certainly essential elements,

and inasmuch as the check or order we are considering shows on its face that the time of its payment was uncertain, and the amount which the bank might become liable for not definitely fixed by its terms, and that its liability for any amount whatever was conditioned and dependent upon the happening of certain contingencies, we are quite sure it was not a check certified in the usual course of business, and therefore no officer of the bank had implied authority to certify it. That the president or cashier of a bank ex officio has implied power to certify a check drawn in the usual course of banking business when presented for payment seems to be well settled. Such a check is supposed to be drawn upon a previous deposit of funds, and when certified is an appropriation of such funds to the holder of the check. In such case the money no longer belongs to the drawer. Morse on Banking, 382. But, "without special authority conferred upon him, the officer of a bank has no implied authority to certify any but commercial checks—that is, those drawn in commercial form in the usual course of business"—and the certification of other than such checks will not bind the bank, unless express authority for so doing is shown; so that, "if the check bears upon it a memorandum that it is to be held as collateral, etc., the cashier's certification is not in due course, and will not bind the bank unless expressly authorized." (Dorsey vs. Abrams, 85 Pa. 299, 27 Am. Rep. 657; 2 Daniel on Negotiable Instruments, § 1607.) The proposition that appellant was a bona fide holder of the order for value is unavailing. It was not shown that either the president or the cashier of the bank was expressly authorized or empowered to certify said order, and the face of the instrument affected appellant with notice that it was not a commercial check. This was sufficient to put appellant upon inquiry as to the authority of said officers.

Treating the contract sued on as a surety or indemnity obligation, indemnifying appellant to the extent of $10,159 against liability and loss arising from default of Sonnefield & Emmins in the performance of their contract with the First National Bank Building Company, Limited, as we think it should be, then the acts of the officers of the bank in entering into such an obligation must be held to be ultra vires and void. Section 5136 of the Revised Statutes of the United States provides that national banks shall have power "to exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the banking business; by discounting and negotiating promissory notes, drafts, bills of exchange and other evidence of debt; by receiving deposits; by buying and selling exchange, coin and bullion; by loaning money on personal security; and by obtaining, issuing and circulating notes according to the provisions of this title."

In construing this statute the courts of the United States, to whose interpretation of such laws the state courts must yield, have repeatedly held, in effect, that it is not within the corporate power of a national bank to become surety or guarantor for another, or to bind itself to answer for the debt or default of another. In First Nat. Bank vs. American Nat. Bank, 173 Mo. 153, 72 S. W. 1059, the authorities upon the subject are cited in extenso, and the rule declared to be "that a national bank has no power, with or without a sufficient consideration, to agree or bind itself that a draft of A. upon B. will be paid; that such agreement is a mere guaranty, and is not within the powers conferred upon such banks; and that, when sued upon such a contract, the bank can successfully interpose a defense of ultra vires." In Bank vs. Pirie, 82 Fed. 799, 27 C. C. A. 171, the rule is stated thus: "The act of Congress under which the bank was organized confers no authority upon national banks to guaranty the payment of debts contracted by third

parties, and acts of that nature, whether performed by the cashier of his own motion or by direction of the board of directors, are necessarily ultra vires. A national bank may indorse or guaranty the payment of commercial paper which it holds, when it rediscounts or disposes of the same in the ordinary course of business. Such power, it seems, a national bank may exercise as incident to the express authority conferred on such banks by the national banking act to discount and negotiate promissory notes, drafts, bills of exchange, and other evidence of debt (People's National Bank vs. National Bank, 101 U. S. 181, 183, 25 L. Ed. 907; U. S. Nat. Bank vs. First Nat. Bank, 49 U. S. App. 67, 79 Fed. 296, 24 C. C. A. 597); but it has never been supposed that the board of directors of a national bank can bind it by contracts of suretyship or guaranty which are made for the sole benefit and advantage of others. The national banking act confers no such authority in express terms or by fair implication, and the exercise of such power by such corporations would be detrimental to the interest of depositors, stockholders, and the public generally—citing Norton vs. Bank, 61 N. H. 589, 60 Am. Rep. 334; State Nat. Bank of St. Joseph vs. Newton Nat. Bank, 32 U. S. App. 52, 58, 66 Fed. 691, 14 C. C. A. 61; Bank vs. Smith, 40 U. S. App. 690, 23 C. C. A. 80, 77 Fed. 129."

It follows that the effort on the part of the president and cashier of the appellee bank in this case by the acts disclosed to create upon it an obligation to indemnify appellant, to the extent of the amount specified in the instrument declared on, against liability and loss arising from default of Sonnefield & Emmins in the performance of their contract with the First National Bank Building Company, Limited, or to in any manner answer to that extent for such default, was ultra vires, and not binding upon the bank. (Commercial Bank vs. First Nat. Bank, 97 Tex. 536, 80 S. W. 601, 104 Am. St. Rep. 879; Groos et al. vs. Brewster [Tex. Civ. App.] 55 S. W. 590; First Nat. Bank vs. American Nat. Bank, 173 Mo. 153, 72 S. W. 1059; Bowen vs. Nat. Bank [C. C.] 87 Fed. 430, and cases cited). The foregoing authorities also sustain the view that under the circumstances of this case the bank was and is not estopped to plead ultra vires, but the remarks quoted from cases mentioned below are especially applicable. In California Bank vs. Kennedy, 167 U. S., loc. cit. 367, 17 Sup. Ct. 833, 42 L. Ed. 198, Mr. Justice White says: "Whatever divergence of opinion may arise on this question from conflicting adjudications in some of the state courts, in this court it is settled in favor of the right of the corporation to plead its want of power; that is to say, to assert the nullity of an act which is an ultra vires act." In Central Transp. Co. vs. Pullman Palace Car Co., 139 U. S., at pages 59 and 60, 11 Sup. Ct. 488, 35 L. Ed. 55, it is said: "A contract of a corporation, which is ultra vires in the proper sense, that is to say, outside the object of its creation as defined in the law of its organization, and therefore beyond the powers conferred upon it by the Legislature, is not voidable only, but wholly void, and of no legal effect.

"The objection to the contract is, not merely that the corporation ought not to have made it, but that it could not make it. The contract cannot be ratified by either party, because it could not have been authorized by either. No performance on either side can give the unlawful contract any validity, or be the foundation for any right of action upon it." It must be borne in mind that we are speaking of acts that are ultra vires absolute—that is, such as are "beyond the powers of the bank for any purpose and under all circumstances—and not acts that are ultra vires by circumstance, or such as are beyond its authority for some purposes or under some circumstances, but are within its power under other circumstances or for other purposes." We regard the acts involved in this controversy to be of the character first

named. Many of the authorities cited and discussed by appellant have reference to acts ultra vires by circumstances unknown, and hence not applicable to the facts of this case.

RECOVERY OF MONEY DEPOSITED WHEN BANK INSOLVENT—INTEREST.

BUTLER vs. WESTERN GERMAN BANK.

UNITED STATES CIRCUIT COURT OF APPEALS, FIFTH CIRCUIT, Feb. 25, 1908.

While money deposited with a bank known by its officers to be insolvent may be recovered, if it can be traced into the receiver's hands, the depositor cannot recover interest on the amount.

Though the receiver should have refunded the amount to the depositor, an error of judgment on his part in withholding the amount will not make the creditors of the bank chargeable with interest on the fund withheld.

Before PARDEE, McCORMICK, and SHELBY, Circuit Judges.

SHELBY, Circuit Judge: This is a suit in equity brought by the Western German Bank against the receiver of the First National Bank of Florida to recover money collected by the latter bank for the complainant. This is the second appeal in this case. A statement of the case made by the bill and our opinion as to the law which should govern its decision appear in the report of the case on the first appeal. (Western German Bank vs. Norvell, 134 Fed. 724, 69 C. C. A. 330). The suit is for the recovery of $3,995, which the complainant alleges was collected for it by the First National Bank of Florida shortly before the latter bank went into the hands of a receiver, and when it was insolvent and known to its officers to be insolvent. The complainant claimed the right to recover the entire collection notwithstanding the insolvency of the bank. The court below entered a decree for the complainant for the sum sued for, "with interest from March 14, 1903," and this appeal is from that decree.

On the merits of the case, it is sufficient for us to say that we concur in the conclusion of the learned trial judge who decreed that the complainant was entitled to relief. Concurring in the conclusion that the complainant, on the facts proved, is entitled to recover its money collected for it by the First National Bank of Florida, the only question to be decided is whether or not the circuit court erred in allowing the complainant to recover interest.

An examination of the cases showing the development of the doctrine of tracing funds or property throws light on this question. At first the equitable right of following misapplied money or other property into the hands of the parties receiving it depended upon the ability to identify it; the right attached only to the very property misapplied. This right was then extended to the proceeds of the property; that is, to that which was procured in place of it by exchange, purchase or sale. But the earlier cases held that if it became mixed with other property of the same kind so as not to be distinguishable, without fault on the part of the possessor, the equity was lost. But this view has been abandoned, and the doctrine now established is that confusion or the mixing of money or property with other money or property of the same kind does not destroy the equity, but converts it into a charge upon the entire mass, thereby giving to the party injured by the unlawful diversion a priority of right over the creditors of the possessor. This doctrine is now indisputably established. (Richardson vs. N. O. Deb. Red. Co., 102 Fed. 780, 42 C. C. A. 619, 52 L. R. A. 67, and cases there cited.) What the courts set out to do from the first was to take the money—the identical money or property—from the wrongdoer, and give it to the true owner. When it could be identified, there was

no hesitation; and, finally, when the identical coins or property could not be selected from the mass, the courts took out for the owner a like amount. We find no indication in the cases that the right extended beyond the amount of the property wrongfully converted or withheld.

The claim is for the funds or property converted or wrongfully withheld. It is not founded on the idea that the defendant owes to the complainant a debt; on the contrary, it is based on the fact that the conduct of the defendant has been such that the relation of debtor and creditor has not been created, as ordinarily occurs when a client makes a deposit with his banker. The equity, springing as it does from the right to trace the funds or property, does not extend to a right to take other funds or property by way of damages or interest. Especially is this true where it does not appear that the fund withheld has earned interest or profit, and where the defendant holds, also, as trustee the other funds or property with which the funds claimed were mixed. To allow interest in such case would be to permit the wrongful withholding of the fund by the defendant to create a charge on other funds held by him in trust for the creditors of the bank. This would be inequitable. The investigation and decision of this case has, it is true, established the fact that the receiver should have surrendered this fund to the complainant, but an error of judgment by the receiver on this question should not make the creditors of the bank chargeable with interest on the fund withheld. (Merchants' National Bank vs. School District, 94 Fed. 705, 36 C. C. A. 432; Guignon vs. National Bank, 22 Mont. 140, 55 Pac. 1051, 1097.)

The decree will be amended here by striking out the words thereof which allow interest on the amount of the complainant's claim, and, as so amended, it is affirmed.

The appellee will be taxed with the costs of the appeal.

PROMISSORY NOTES—FILLING IN BLANKS — CHANGING PLACE OF PAYMENT.

FIRST NATIONAL BANK OF WILKES-BARRE vs. BARNUM.

UNITED STATES DISTRICT COURT, M. D. PENNSYLVANIA, MARCH 9, 1908.

B, for the accommodation of his brother, placed his indorsement on a printed form of promissory note, which contained the words "at the Second National Bank of Wilkes-Barre, Pa." The brother, besides filling out the blanks, struck out the name of the Second National Bank, and inserted the name of another bank, which discounted the note:—Held, that while the filling out of the blanks was impliedly authorized, the change in the name of the bank where the instrument was to be payable was a material alteration under the Negotiable Instruments Law, and discharged the indorser.

THIS was an involuntary proceeding in bankruptcy, and was resisted by the respondent upon the ground that the petitioners were not creditors.

Archibald, District Judge: (Omitting part of the opinion.)

The case turns, therefore, on whether the petitioners are creditors, as to which it appears that their claims are based on certain promissory notes, indorsed by the respondent, J. B. Barnum, for the accommodation of his brother, B. F. Barnum, the maker, for whom they were discounted by the petitioners, who are Wilkes-Barre banks. The genuineness of the respondent's indorsement is not contested, but he claims to be released, because, after it was affixed, the notes were materially altered without his authority, by changing the name of the bank where they were originally made payable. These notes were the last of a series of discounts at each of the banks involved, the course pursued by the respondent and his brother with regard to them being that every so often, as those which he had previously indorsed were supposed to be coming due, but without any real regard to that, he would indorse a number of others in blank

which his brother would subsequently fill out and execute as he happened to need them. In each instance printed or engraved forms of notes were used, in terms made payable at the Second National Bank of Wilkes-Barre, as follows:

$......

Wilkes-Barre, Pa., ...190

.... after date ...... promise to pay to the order of ....

............................./100 Dollars at the Second National Bank of Wilkes-Barre, Pa.

Value received without defalcation.

No. ...... Due ......

....

Taking the notes in that shape, his brother, as he had occasion to raise money upon them, would insert in each the date and amount, and the time within which it was to become payable; and, when it was to be discounted elsewhere than at the Second National Bank of Wilkes-Barre, he would erase the name of that bank, and interline that of the one which was to do the discounting. This change having been made without the knowledge or consent of the respondent, he claims to be discharged thereby.

There is no question that a change in the place where a note is made payable is a material alteration which releases an indorser, unless it is done with his assent. (Act. Pa. May 16, 1901 Sections 124, 125 [P. L. 211].) But it is sought to distinguish the present case, for the reason that, at the time the notes were indorsed by the respondent, they had not been executed by his brother, and, except in the merest outline, had been given no definite character or form. And that, having been indorsed and intrusted by the respondent to his brother in that shape, he committed himself to whatever was subsequently done with them, including such a change in the place of payment as appears. It is no doubt true that, to the extent that blanks were in fact left, the respondent could not now object, as against a holder in due course, to their being filled out in whatever way his brother chose. He could have made them payable in six months, instead of three, or to read for $10,000 each, as readily as $1,000. Nor, for that matter, does the respondent seems to have balked at amounts, having been shown to have indorsed 12 or 15 notes for his brother in a batch. To the supplying of the essential terms of what was so left incomplete, he must be held to have given his unqualified assent. (2 Cyc. 159, 162; 2 Am. & Eng. Encycl. Law, 253; Simpson vs. Bovard, 74 Pa. 351; Howie vs. Lewis, 14 Pa. Super. Ct. 232.) But the implied authority to fill in blanks goes no further, in any case, than the insertion of that which is necessary to make the obligation speak according to its intended purpose and use. (2 Cyc. 161.) And there are erasures and interlineations here. Did, then, the respondent also impliedly assent to this, by indorsing the notes in the condition in which they were at the time? Or can the mere skeleton of a note, which is in fact no note at all until it is filled out and signed, be said to have been altered in a material part, so as to discharge an indorsement, made when it is in that shape, by a change in certain of its printed terms?

The question is one of authority, as well as of the alteration of written instruments, with regard to which it is to be observed that, as is obvious, if by direct understanding with the respondent, his brother was at liberty to fix the place of payment, the changes which now appear could not be asserted by him in avoidance of his indorsement. It has also been held that, where a note is delivered with the date in blank, the implied authority to fill in that date which is so given (Bechtel's Estate, 133 Pa. 367,) carries with it the authority to erase a date which has been written in and insert another in its place. (Michigan Bank vs. Eldred, 9 Wall. [U. S.] 544; Hepler vs. Mt. Carmel Savings Bank, 97 Pa. 421.) So, also, where a note has been indorsed in which the place of payment is left blank, but the printed form

of note used contains the word "at," importing that some place of payment was intended to be named, authority to add such place is thereby implied, and it does not avoid the instrument to do so. (Wessell vs. Glenn, 108 Pa. 104; Redlich vs. Doll, 54 N. Y., 234; Marshall vs. Drescher, 68 Ind. 359.) But, on the other hand, the mere omission of a place of payment, there being nothing in the frame of the instrument to indicate that the one which was subsequently inserted was intended, is not enough of itself to raise an inference of authority to do so, such a clause not being necessary to the completeness of the instrument. (McCoy vs. Lockwood, 71 Ind. 319; Crotty vs. Hodges, 4 Man. & G. 561; Toomer vs. Rutland, 57 Ala. 379, 29 Am. Rep. 722; Bruce vs. Wescott, 3 Barb. [N. Y.] 374; McGrath vs. Clark, 56 N. Y. 34.) Much less does the implied authority to fill in blanks carry with it the right to erase what is written or printed and insert something else. (Angle vs. Northwestern Mutual Life Ins. Co., 92 U. S. 330, 23 L. Sd. 556; Mahaiwe Bank vs. Douglass, 31 Conn. 170, 180; Adair vs. England, 58 Iowa, 314.) In the present instance, according to the printed form used, the respondent committed himself to an indorsement of notes made payable at a specific place, which he may have thought, as he now asserts, was a certain measure of protection as to the amounts for which he would be obligated, and which might possibly have proved something of a check on the ability of his brother to negotiate them, by reason of their being presented at the one place for payment, one after the other in increasing numbers. But whether correct in that idea or not, he could not be bound otherwise than in the way to which he had given his express or implied assent, and having indorsed notes payable in terms at the Second National Bank of Wilkes-Barre, he cannot be held liable for those made payable by erasures and interlineations anywhere else. It is no answer to say that the changes were in the handwriting of the maker, the same as the rest of the written parts, dispelling suspicion, and doing away thereby with the necessity for inquiry. They were changes of the original terms nonetheless, in plain sight, on the face of the notes, in a material provision, and could not therefore be passed by without manifest risk. Having been made without authority, as it now turns out, the respondent is released, and the petitioners have thus no provable claims. Nor is this saved by the provision of the negotiable instruments act, by which, "when an instrument has been materially altered, and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor." (Act May 16, 1901, Section 124, P. L. 211.) This only operates, as it will be noted, in favor of a holder in due course, which the petitioners, having notice of the infirmity in these notes, cannot claim to be. (Id. Section 52 P. L. 202.)

The proceedings are dismissed, with costs.

NATIONAL BANK—SOLICITOR OF BUSINESS.

CASE vs. FIRST NAT. BANK OF CITY OF BROOKLYN.

SUPREME COURT OF NEW YORK, SPECIAL TERM, KINGS COUNTY, APRIL 30, 1908.

A national bank has power to make a contract whereby it employs a "solicitor of business" for a fixed period.

STAPLETON, J.: Plaintiff sues defendant to recover damages for breach of contract entered into between them, whereby the defendant agreed to employ plaintiff as a solicitor of business for one year at an annual salary of $1,500. Defendant demurs to the complaint, on the ground that it appears on the face thereof that it does not state facts sufficient to constitute a cause of action. The specific assignment on the argument and in the

brief was that the contract set forth in the complaint was beyond the power of the defendant, in that it was violative of the provisions of Act Cong. June 3, 1864, c. 106, sec. 8, 13 Stat. 101 (the national bank act), now section 5136, Rev. St. U. S. (U. S. Comp. St. 1901, p. 3455). The particular provision invoked is: A national bank shall have power, inter alia:

"Fifth. To elect or appoint directors, and by its board of directors to appoint a president, vice-president, cashier and other officers, define their duties, require bonds of them and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places."

In the third sub-division of the same section a national bank is explicitly empowered "to make contracts," and in the seventh "to exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking, etc." As general laws constitutionally enacted by Congress are the supreme law of the land, the courts are bound to take notice of them, without allegations of their provisions or proof of their enactment, and the claim of the defendant is properly raised by demurrer. (Platt vs. Crawford, 8 Abb. Prac. [N. S.] 297; Milliken vs. Dotson, 117 App. Div. 527-529, 102 N. Y. Supp. 564.)

I cannot hold that a "solicitor of business" is comprehended within the clause "and other officers," referred to in the statute hereinbefore quoted. The distinction in practical affairs is easily discernible, and should not disappear in reading a statute. The word "officer" excludes the ordinary employe. It has a defined meaning in the law, and in construing this statute a rule of construction requires that the words "and other officers" must be treated as referring to positions *ejusdem generis* with those specifically designated. (Bristor vs. Smith 158 N. Y. 157 53 N. E. 42; Wakefield vs. Fargo, 90 N. Y. 213.)

The learned counsel for the defendant cites as an authority for his contention Harrington vs. First National Bank of Chittenango, 1 Thomp. & C. 361. The concurrence in that case was in the result, the discussion of the national bank act was unnecessary to the decision, and the observations of the writer were made upon an express misquotation of the statute, in which, after the word "officers," the phrase "and agents" was erroneously interpolated. If the statute read as the learned judge stated in that case, I would reach the same result. It is not, in my judgment, an authority for the proposition advanced here.

My conclusions are that the defendant had the power to make the contract, breach of which is alleged, that the complaint states a cause of action, and there should be judgment for plaintiff, overruling the demurrer, with leave to defendant to answer.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BANKS AND BANKING—SECURITY UNDER SEC. 88 OF BANK ACT—ASSIGNMENT OF—PAYMENT OF PRINCIPAL DEBT BY GUARANTOR — SUBROGATION.

RE VICTOR VARNISH CO., CLARE'S CLAIM

(16 O. L. R., p. 338).

HEAD NOTE: A security acquired under section 88 of the Bank Act, R. S. C. 1906, ch. 29 whereby a bank may lend money to manufacturers upon the security of goods manufactured by them is not legally assignable by the bank so as to transfer the special lien or security—conferred by that Act—to the third party. The purpose of the security is satisfied when the debt, it is given to secure, is paid to the bank.

A guarantor to a bank, which also holds such a security for the debt guaranteed, is not subrogated to the right of the bank in the security on payment of the debt by him.

STATEMENT OF FACTS: This was an appeal by the liquidator of the Victor Varnish Company from the judgment of the Master in Ordinary so far as it held that the claimant was entitled to a lien on the stock-in-trade of the Company. The liquidator admitted that Clare was a creditor for over $5,000, but disputed his right to a lien.

While they were actively carrying on business the Victor Varnish Company, Limited, became indebted to the Bank of Hamilton in the sum of five thousand dollars and as security therefor, the bank obtained a guarantee from Clare and also what is commonly called a "Form C Security" under section 88 of the Revised Bank Act which was in the following terms:

ASSIGNMENT FOR ADVANCES.

THE BANK ACT.

In consideration of an advance of $5,000 made by the Bank of Hamilton to the Victor Varnish Co., Limited, for which the said bank holds the following bills or notes, made by the Victor Varnish Co., Limited, dated January 31, 1906, payable on demand at the Bank of Hamilton, Toronto, the goods, wares and merchandise mentioned below are hereby assigned to the said bank as security for the payment on demand of the said advances or of the said bills and notes or renewals thereof, or substitutions therefor, together with interest thereon at the rate of six per cent. per annum, from the —— day of January, 1906, until finally repaid.

This security is given under the provisions of Section 74 of "The Bank Act," and is subject to the provisions of the said Act.

The said goods, wares and merchandise are now owned by us, and now in our possession, and are free from any mortgage, lien or charge thereon except this assignment or part thereof to the said bank, and are in our premises, 400 Eastern Avenue, Toronto, and are the following: All varnish in tanks, turpentine, linseed oil, benzine, methylated spirits, gums, rezin, colors, packages, etc., raw and manufactured and in course of manufacture.

The said stuff is separate from, and will be kept separate and distinguishable from other stuff.

Dated 31st January, 1906.

Signature: The Victor Varnish Co., Limited.

(Sgd.) W. E. L. Hunter, vice-president.
(Sgd.) E. J. Stewart, manager.

(Seal).

Later on Clare, having paid the amount of the company's indebtedness to the bank, requested and obtained from the bank an assignment of this security. The company became insolvent and in the course of winding up this contestation arose. The Master in Ordinary held that Clare had a valid lien under the general doctrine that a surety who pays the debt which he had guaranteed is entitled to an assignment of the securities held by the creditor. From this judgment the liquidator appealed.

JUDGMENT (FALCONBRIDGE, *C.J., K.B.*): Section 80 of the Bank Act. relied upon in the judgment appealed from as authorizing the bank to dispose of the security in question, refers only to mortgages and pledges of real and personal property which the bank may take as *additional* security, notwithstanding the prohibition of section 76 and which in the bank's hands are nevertheless subject to the Registry and Chattel Mortgage Acts of the Province in which the goods are situated.

Section 88 which authorizes a bank to take the security in question in this action, contains no provision for the assignment of the security by the bank. It provides that the bank may lend money upon certain goods, wares or merchandise, stock or products, and that the security may be in the form set forth in schedule C to the Act or to the like effect; and that the bank shall by virtue of such security acquire the same rights and powers in respect to the goods, etc., as if it had acquired the same by virtue of a warehouse receipt—*i. e.*, as if it had acquired the goods under section 86.

Section 86 provides that "the bank may acquire and hold any warehouse receipt . . . as collateral security for the payment of any debt incurred in its favor, or as security for any liability incurred by it for any person in the course of its banking business"; and that the "warehouse receipt . . . so acquired shall vest in the bank . . . all the right and title

to such warehouse receipt and to the goods covered thereby of the previous holder or owner thereof."

Section 78 has been cited as constituting authority to the bank to sell and assign the security. That section, however, refers to securities taken by the bank under the general powers contained in section 76 and does not refer to the special securities authorized by sections 86 and 88.

Section 89 has also been cited. That section, however, authorizes the bank to "sell the goods" mentioned in the security, and does not authorize the transfer of the security itself.

The act, as I read it, does not expressly provide that the security may be assigned; but it does not necessarily follow that the document is not assignable in the ordinary sense. It does not, indeed, appear that the assignment has been perfected either under the Judicature Act, or in equity, by notice given prior to the winding-up order; but this is perhaps immaterial, inasmuch as the claimant must succeed if at all, by virtue of his right of subrogation, and for this purpose no assignment is necessary.

If Clare is entitled to the benefit of the security at all, the next question is what is the nature of the security which comes to his hands—*i. e.*, is it the security under sec. 88 of the Bank Act, with the special privileges of not requiring registration and of taking priority as of the time of its delivery as against duly registered documents held by other persons, or is it merely an assignment which in Clare's hands must stand or fall according to the provincial chattel mortgage laws?

I do not know of any case directly in point; but in view of the fact that the provisions of sec. 88 infringe upon the policy of provincial law which requires registration, the language of the act must not be strained so as to confer a priority which is not reasonably necessary to the carrying out of the policy of the act.

If Parliament had provided for the assignment of the security by the bank, its jurisdiction to do so could not have been questioned. Such a provision would have been legislation in regard to documents taken as security by a bank in the course of the business of banking within the authority of Tennant vs. Union Bank (1894), A. C. 31.

The act, however, contains no such provision, and although it is not suggested in the present case that the security was not acquired by Clare in the utmost good faith, I think that to construe the act as if it provided for the assignment of the security to a third party would open the door so wide to a fraudulent use of the act that I must decline to construe it as impliedly authorizing that which it does not expressly authorize, or as impliedly authorizing that which, in my view of the matter, is not reasonably necessary to the working of the act.

CHEQUE AMBIGUOUSLY DRAWN—RESPONSIBILITY OF HOLDER WHO DELIVERS IT UP—RIGHTS OF ENDORSERS—MISTAKES BEFORE PRESENTATION OF THE CHEQUE.

NADEAU VS. BANK OF TORONTO (Q. R. 32 Superior Court, p. 178).

HEAD NOTE: Cheque drawn as follows, "Pay to Victor Nadeau or to the bearer, $2.50. Two fifty 00-100 Dollars" signed "Edouard Nadeau" is not an order to pay two hundred and fifty dollars. The holder who gives it up upon receiving only two dollars and fifty cents is not in fault and is under no liability to the endorsers. It does not matter that the holder before presenting the cheque accepted it from a depositor for the sum of two hundred and fifty dollars and that the depositor had accepted it for that sum from the payee.

STATEMENT OF FACTS: This is an action brought against the defendant bank by Victor Nadeau to recover the sum of two hundred and forty-seven dollars and fifty cents. In October, 1905, the Plaintiff was the holder of a cheque drawn in the way indicated in the Head Note, which he endorsed and sent to Messrs. John Caldwell & Company of Montreal who

deposited it for collection in the Bank of Toronto and received credit by that bank for the sum of two hundred and fifty dollars. The defendant bank then forwarded the cheque to their agents in the town where the cheque was made payable with instructions to collect two dollars and fifty cents upon the cheque. Pursuant to these instructions the agents collected the sum of two dollars and fifty cents and delivered up the cheque, which was drawn upon the Banque d'Hochelaga. At this time and for some days afterwards the drawer of the cheque had sufficient funds in his bank to meet a cheque for two hundred and fifty dollars, but a month later, when the plaintiff was informed by the defendant bank that they had collected only two dollars and fifty cents upon the cheque, the drawer was insolvent and without any funds in his bank. The Bank of Toronto charged back two hundred and forty-seven dollars and fifty cents to John Caldwell & Company and they debited the plaintiff with the same sum. He being unable to collect from the drawer of the cheque brought this action against the bank.

The Trial Judge found that the defendant bank were negligent in the discharge of their duty as bankers and gave judgment against them for the sum of two hundred and forty-seven dollars and fifty cents with costs. From this Judgment an appeal was taken.

JUDGMENT (Sir MELBOURNE M. TAIT, *C.J.;* MATHIEU and LORANGER, *J.J.*): The Judgment appealed from ought to be set aside because the cheque in the form mentioned was in fact a cheque for two dollars and fifty cents and not for two hundred and fifty dollars. Under the circumstances we should not presume that the Banque d'Hochelaga, at Joliette, should have paid two hundred and fifty dollars when the cheque only purported to be an order for two dollars and fifty cents. In order to find the defendant liable to the plaintiff it would be necessary that it should have refused his cheque for two dollars and fifty cents because it should have been made out for two hundred and fifty dollars. The bank did not know the state of accounts between the plaintiff and his brother and was not bound to correct the error of the brother in order to facilitate the collection of the plaintiff's debt, that plaintiff not being a customer of the bank.

The only persons responsible for the loss are the drawer of the cheque and who mentioned the matter when handing it over to Caldwell & Company.

But it has been argued that the bank ought to have notified the plaintiff that this cheque was not taken up for the sum of two hundred and fifty dollars. The bank had committed the mistake of crediting Caldwell & Company with two hundred and fifty dollars while it had received a cheque for only two dollars and fifty cents which amount it had collected, and we do not see that it was bound to give notice to the plaintiff with whom it had never had any business relations. These reasons are sufficient to justify the setting aside of the judgment appealed from, but there are other reasons. Caldwell & Company were the holders and owners of the cheque at the time it was placed in the bank for collection. By the deposit slip they induced the bank to credit them with two hundred and fifty dollars. When the error was discovered, Caldwell & Company paid the bank two hundred and forty-seven dollars and fifty cents and took up the cheque. In so doing they were not the agents of the plaintiff but were the owners of the cheque. After having settled with the bank they had no longer any right of action against it for this sum of two hundred and forty-seven dollars and fifty cents and could not to-day claim against it for that sum. That being the case the plaintiff has not greater right to recover, being not the creditor of Caldwell & Company but on the contrary their debtor. That being so he could not, under article 1,031 of the Code, exercise the rights of Caldwell & Company, even

had that firm any right against the defendant. We have just found they had no such right.

If Caldwell & Company had been the agents of the plaintiff perhaps the plaintiff would have had an action against the bank in subrogation to Caldwell & Company. But Caldwell & Company, being the owners of the cheque at the time they settled with the bank, they thereby extinguished all rights of action which they could have had against it. The appeal will be allowed and the action of the plaintiffs dismissed with costs.

PROMISSORY NOTE—SUBSCRIPTION FOR SHARE IN COMPANY—FRAUD—NOTE OF SUBSCRIBER TRANSFERRED TO BANK—HOLDERS IN DUE COURSE—HYPOTHECATION OF SECURITIES—POWERS OF COMPANY—BY-LAW—RESOLUTION—INDORSEMENT BY SECRETARY—SUFFICIENCY—NEGOTIATION OF NOTE.

STANDARD BANK OF CANADA VS. STEPHENS (16 O. L. R., p. 115).

STATEMENT OF FACTS: This was an appeal from the judgment of the County Court at Middlesex and was heard by the Division Court, composed of Falconbridge, C. J., K. B.; Britton and Riddell, J. J. The appeal was dismissed for the reasons given in the judgment of the Trial Judge in which also the evidence appeared with sufficient fullness.

JUDGMENT: The action is on a promissory note for $20, dated January 15, 1906, made by the defendant, payable to the Farmers' Manufacturing and Supply Company, Limited, or order, eight months after date. On the margin are the words, "Given for one share Farmers' Supply Co." It is indorsed, "Pay to the order of the Standard Bank of Canada. Farmers' Mnf. & Supply Co., Limited, A. N. McIntosh, secretary"; all of the indorsements, except the signature "A. N. McIntosh," being made with a rubber stamp. It appears that the plaintiffs are or claim to be the holders of a very large number of $20 notes said to have been transferred to them under the same circumstances as the note now in question, so, as I thought that there should be a right of appeal from my decision, the parties accordingly consented that there should be an appeal. There is no conflict of evidence.

The defendant was called by the plaintiff; he admitted that he gave the note; that he agreed to subscribe for and take one share of the capital stock of the Farmers' Manufacturing and Supply Company, Limited, of the par value of $20, for which he gave this note. I find that Staples, an agent of the company, induced the defendant to subscribe for the share and give the note, by the false and fraudulent representation that the company had made arrangements with all the leading manufacturers which would enable shareholders of the company to procure whatever they needed at one-third less than the ordinary retail price.

In answer to this the plaintiffs set up that they are holders in due course, for value, without notice of any fraud.

The Farmers' Manufacturing and Supply Company, Limited, was incorporated under R. S. O. 1897, ch. 191, the Ontario Companies Act, on November 16, 1904, for the purpose of manufacturing and dealing in goods and merchandise, with an authorized capital of $100,000, divided into 5,000 shares of $20 each. On November 24, 1904, the directors passed a by-law for the borrowing of money, in which they followed the words of sec. 49 of ch. 191, R. S. O. 1897. An entry in the minute book of the company stated that this by-law was, on the same day, confirmed by the annual meeting of shareholders. There was also passed by the directors and confirmed by the shareholders on this same November 24, 1904, a resolution that an account be opened with the plaintiffs, that all moneys, orders, and other securities be-

longing to the company, and usually deposited in the ordinary course of banking, be deposited in said bank account, and the same may be withdrawn therefrom by cheque, bill, or acceptance in the name of the company, over the names of any two of the following, viz., president, vice-president, secretary, manager, and that, for all purposes connected with the making of deposits in said bank account, the signature of any one of said officials be sufficient.

By memorandum of February 20, 1905, over the seal of the company and the hands of the president, secretary, and manager, it was agreed that the plaintiffs should hold all the company's securities at any time in the plaintiffs' possession as collateral security for present and future indebtedness.

The defendant's note, indorsed as above stated, was delivered to the plaintiffs at their Durham branch on February 12, 1906. This was shown by the entry in the plaintiffs' collateral ledger, which was produced, and from which it appeared that paper to a very large amount was handed over from time to time by or on behalf of the company to the plaintiffs.

John Kelly, the plaintiffs' manager at Durham, and Livingston, manager of the Farmers' Manufacturing and Supply Company, were examined at length with the object of showing that the plaintiffs did not take the note in question in good faith and without notice of any defect in the title of the company. The facts disclosed by such examination appear to me to be as follows:

Prior to November, 1904, the Durham Manufacturing Co. carried on the manufacture of cream separators. Livingston was manager, and Kelly was a director and had $4,225 invested in it. The company was not prosperous, and a change was necessary. Accordingly, the Farmers' Manufacturing and Supply Co. was formed, and purchased the assets of the Durham Company. All the terms of the purchase are not disclosed, but it seems that the new company purchased the business on credit, and assumed the payment of the Durham Company's debts to the plaintiffs. Kelly has since received $2,400 on account of his investment, apparently from moneys paid for the Durham Company's assets. It is not clear whether he expects to get any more. Kelly took five shares in the Farmers' Manufacturing and Supply Company. It is not shown that he has any part in the management of the latter company. Kelly knew that in 1905 and 1906 the Farmers' Manufacturing and Supply Company, with the object of increasing their capital and extending their business, employed agents to offer their shares for sale. He knew that for each subscription of one share the agent would usually take the subscriber's note for $20. About 600 of such notes (including the defendant's note) were from time to time transferred by the company to the plaintiffs. Kelly knew that these notes represented subscriptions for stock. He did not know and did not inquire whether shares had been allotted and notice of allotment given to the subscribers. Kelly did not know, and, so far as the evidence goes, had no reason to suspect, that these notes or any of them were obtained by fraud.

Whatever an experienced business man might think of the ultimate success of such a project, I do not think there was anything improper or dishonest in its inception. There is no evidence to lead one to suppose that, so far as Kelly knew, it was anything but a legitimate business venture. And I do not think Kelly had the slightest suspicion that the $20 notes were obtained for an improper purpose or in an improper manner, or that there was any defect in the company's title thereto, or any reason why the plaintiffs ought not to take them as collateral for the company's bank account.

I think the plaintiffs in the present case were entitled to assume that a share had been properly allotted to the defendant, and that the note represent-

ed the debt due by him to the company for such share, and that the company had the right to negotiate it. This is the conclusion to which I have come at present. I would hold that the defendant never received any notice of allotment, so that the contract between him and the company was not completed, and that the note in question is, therefore, without consideration. But I do not think this affects the plaintiffs, as, in my opinion, they became holders in due course of the note in question, and there should be judgment in their favor.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

FORGED INDORSEMENT—EFFECT OF CERTIFICATION.

Havana, Cuba, June 13, 1908.

Editor Bankers Magazine:

Sir: As a subscriber to your valuable magazine, we beg to apply to your department of "Replies to Law and Banking Questions" for definite information regarding the liability of banks as to endorsements in the certification of checks.

We offer the following example, to more clearly explain the point involved.

"A," a depositor, issues check against funds in account, in favor of "B". Through an inadvertence, the check does not reach "B" for whom it was intended, and is subsequently presented for certification, by an unidentified party, to the bank on which it was drawn. Being endorsed in the name of the party to whom issued, the bank makes the requested certification. The holder immediately presents the certified check at another bank, and same is cashed.

Now appears "B", the rightful owner of the check, proving beyond doubt that the endorsement in his name is a forgery, and making claim that he be reimbursed for the amount of his check. Which of the two banks involved is responsible?

The bank that paid the check claims that payment was made by them without responsibility on their part, since the certification was in proper form, while the bank upon whom the check was drawn contends that the certification covered only the validity of the signature of the check, and by said certification agrees to meet the payment of the check, if properly endorsed by party presenting same.

National Bank of Cuba,
H. Olavarrea, *Cashier.*

Answer.—It is well established that in certifying a check a bank does not admit that the signature of an *indorser* is genuine, and the fact that the check has been accepted or certified does not preclude the drawee bank from afterwards claiming that an indorsement on the instrument is a forgery. (Marine Nat. Bank vs. Nat. City Bank, 59 N. Y. 67; Security Bank vs. Nat. Bank of the Republic 67 N. Y. 458.) In First Nat. Bank vs. Northwestern Nat. Bank, 152 Ill. 296, forged checks drawn upon the Northwestern Nat. Bank of Chicago were presented to that bank and stamped "accepted, payable through the Chicago Clearing House," and were afterwards transferred to Chapin & Gore, who collected the amount thereof through the First Nat. Bank of Chicago. In an action by the Northwestern Nat. Bank to recover the money so paid, the Supreme Court of Illinois said: "The evidence shows that appellee accepted two of the checks 'payable through Chicago Clearing House, prior to the time that they were transferred to Chapin & Gore. This makes no difference. An acceptor is bound to look only at the face of the bill or check, and an acceptance never proves an endorsement; and even if the supposed endorsements of the payees of the said two checks were on them at the times when they were respectively accepted, yet such acceptances did not admit the handwriting of the endorsers. In this case, the acceptance or certification of the two checks simply warranted the genuineness of the signatures of the drawer, and that it had funds sufficient to meet them, and engaged that those funds should not be withdrawn from the bank by the drawer, and that the bank would pay through the

agency of the Chicago Clearing House the amount, if any, actually due on the check, to the person legally entitled to receive it. The acceptance or certification did not warrant the genuineness of the bodies of the checks, either as to the payees or the amounts, or warrant the genuineness of the endorsements on the checks." In the case stated in the inquiry, therefore, we think that the certification of the check does not preclude the drawee bank from recovering the money paid upon the forged indorsement.

ENFORCING COLLECTION UNDER ENDORSEMENT.

PITTSBURG, PA., July 1, 1908.

Editor Bankers Magazine:

SIR: Please advise us whether we can enforce collection against the property of Mrs. Philomena Jones as indorser on a promissory note in the following form:

$5,000.00 Pittsburg, Pa., October 21, 1907.
On January 3, 1908, after date, The Jones Construction Co. promises to pay to the order of Philomena S. Jones, five thousand dollars.
Without defalcation for Value received.
JONES CONSTRUCTION CO.
Joseph Jones, President.
Philomena Jones, Secretary.

Indorsed on the back: "Protest waived, payment guaranteed. Philomena Jones. Joseph Jones." We believe that you answered a similar question in one of your late issues which has been mislaid.

J. N. NELSON, *Treasurer.*

Answer.—We do not recall any question of similar import. If Philomena Jones is a married woman, and indorsed the note for accommodation, then she is not liable thereon; for under the law of Pennsylvania a married woman cannot bind herself as an accommodation party. If she is not a married woman, then she is liable upon her indorsement. And even if she is a married woman, she is liable if it can be shown that the note was negotiated for her benefit, or that she received value for the same. But if the note was made for the benefit of the Jones Construction Co., which received the proceeds thereof, then, if she is a married woman, no judgment can be obtained against her.

OUR NATURAL RESOURCES.

ALTHOUGH hardly more than a month has elapsed since President Roosevelt appointed the National Conservation Commission, the actual work of taking stock of the nation's natural resources has begun. This work will be carried on vigorously, in order to enable the commission to made its report to the President by January 1. A large amount of material embracing the subject of conservation—waters, forests, lands and minerals—already is available in the executive departments. Other important data will be collected through special channels, including state conservation commissions now being formed, and some of the great national organizations represented at the White House conference.

By early fall the commission expects to have in hand sufficient material to begin the study of the inventory of the country's resources, and by the middle of October it hopes to have the greater part of this material in hand, so that the full commission, which will hold its first meeting on December 1, may at once take up the work. One week later the commission will hold a joint meeting in Washington with the Governors of the states, or their representatives, with the view of securing further and closer co-operation with the various state commissions.

DISCOURAGING THE FORGER.

BECAUSE of a gang of clever forgers the National Bank of Belgium has just issued a new 1,000-franc bill to replace that previously in circulation. This note will in a few weeks be replaced by another one of still more intricate design in order to baffle old counterfeiters.

This is one of the few occasions on which a modern bank has openly confessed itself beaten by the ingenuity of the forger, and has for that reason alone decided to change its bills.

The 1,000-franc bill which is to be replaced by the new one is printed on paper of a dirty white color, in black ink, and has round it a wreath of light blue.

Hitherto blue has been regarded as the color which gives the maximum of security, because it is extremely troublesome to the photographer.

The forgeries of the Belgian bill, however, have modified this belief, and in addition to intricacy of design the bill which will ultimately be issued will be printed on a paper made by a secret process, which gives it a texture that, it is said, cannot possibly be imitated.

CANADIAN BANKING AND COMMERCE.

By H. M. P. Eckardt.

THOUGH panic was not seen in the Dominion, and though depression did not make itself felt as early as in the United States, the record for the first half of 1908 shows that Canadian industry and trade have very materially slackened their pace. The situation north of the international boundry differs in several peculiar respects from that prevailing south of the line. As a preliminary to the description of the course of events and of general conditions the following table, comparing the banking position as at December 31, 1907, and June 30, 1908, is presented.

LIABILITIES.

	June 30, 1908	Dec. 31, 1907
Note circulation	$68,153,994	$77,504,398
Dominion Government deposits	8,773,660	11,315,319
Provincial Government deposits	10,835,964	7,527,112
Deposits of the public "demand"	161,218,037	157,185,414
Deposits of the public "notice"	399,285,738	402,626,076
Deposits elsewhere than Canada	65,453,397	53,407,203
Loans from other banks, Canada, secured	9,320,751	1,959,639
Deposits of other banks, Canada	6,572,587	6,646,570
Due to banks in Great Britain	7,040,432	10,330,250
Due to banks in foreign countries	3,388,826	4,742,092
Other liabilities	6,700,781	10,450,630
Total liabilities to the public	$746,744,250	$743,694,782
Capital paid up	96,049,538	95,995,482
Rest or surplus	71,653,898	70,901,232
Balance, undivided profits	11,569,943	10,665,779
	$926,017,629	$921,257,275

ASSETS.

	June 30, 1908	Dec. 31, 1907
Specie	$23,887,895	$25,119,474
Legal-tender notes	50,804,725	49,963,860
Circulation redemption fund	4,043,896	4,255,670
Notes and checks, other Canadian banks	27,431,248	33,853,075
Loans to other banks, Canada, secured	8,393,809	1,309,638
Deposits in other banks, Canada	9,502,872	10,370,043
Due by banks in Great Britain	7,006,855	6,074,747
Due by banks in foreign countries	29,181,443	16,308,929
Dominion and Provincial Govt. securities	9,847,855	9,210,716
Canadian municipal, British and foreign public securities	19,636,818	19,907,744
Railway and other bonds	42,782,102	41,971,437
Call loans on bonds and stocks, Canada	41,650,478	44,501,112
Call loans on bonds and stocks, elsewhere	52,256,320	43,509,229
Current loans and discounts, Canada	534,523,592	556,588,451
Current loans and discounts, elsewhere	22,386,034	22,928,188
Loans to Dominion Government	3,985,817	4,864,443
Loans to Provincial Governments	2,173,335	446,204
Overdue debts	8,558,844	3,420,200
Real estate other than premises	1,447,628	968,610
Mortgages on real estate	485,527	447,112
Bank premises	18,364,317	17,183,649
Other assets	7,666,041	8,055,258
Total assets	$926,017,629	$921,257,275

(Differences in additions due to omission of cents from figures reported by thirty-five banks in Government bank statement.)

Canadian Chartered Banks.

It is noteworthy that in the above there is to be seen none of the congestion of funds which has been so striking a feature of the recent reports of the United States banks, especially of the banks in the central cities. So far as cash reserves are concerned, the proportion has remained practically unchanged from the beginning of the year till June when the proportion rose from 20.29 per cent. to 22.25 per cent. The explanation of this difference probably is that in Canada, industry and trade have not released so much banking capital on credits relatively as in the States. This inference seems permissible in view of the fact that the great accumulation of idle money in New York is supposed to be largely due, after allowing for the return of the hoarded money, to the slackness of commerce and industry and the lack of demand for bank credits from mercantile borrowers.

Regarding the banking history, nothing of interest or moment occurred after the

taking over of the Sovereign Bank of Canada by the allied banks on January 19, until towards the close of April. On the 29th of that month, the Banque de St. Jean, with head-office at St. Johns in the province of Quebec, failed. Less than a month afterwards this stoppage was followed by that of the Banque de St. Hyacinthe, in the same neighborhood. Neither failure was important from the point of view of size of the banks. The St. Jean had nominally just prior to suspension, a capital of $316,386, surplus of $10,000, deposits of $340,004, note circulation $219,334. Its total assets, which had been shown as $970,847 in the last statement made by the bank's officers were cut down to $326,118 by the curator upon his getting possession of the books, chiefly through writing off a list of bad assets which has become famous as the "Black List." As the circulation is a preferred liability ranking first against the assets and as there are $43,016 of Provincial Government deposits ranking second, it is easy to see that the ordinary depositors will suffer a heavy proportionate loss. The president of the bank and two of his officers were arrested and are now standing trial on the serious criminal charge of conspiracy to defraud, as well as on that of making false returns to Government, itself a prison offence if conviction is secured.

The other failure—of the St. Hyacinthe bank—does not present these discreditable features. The officers of the Canadian Bankers' Association, who examined it, report that there is a fair prospect of depositors getting all their money back eventually. This bank was larger than the St. Jean. At the end of May, the last statement day prior to suspension, its capital was given as $331,235, surplus $75,000, note circulation $253,860, deposits $918,770, total assets $1,576,443.

The Bank of Montreal opened a branch at St. Hyacinthe immediately after the suspension. Though it occupies the premises formerly occupied by the St. Hyacinthe it assumes no liability towards the depositors and creditors of the failed institution. The purpose of its going in was to supply banking facilities to the worthy customers of the St. Hyacinthe. So all its borrowers who can give a good account of themselves will experience no difficulty in having their loans taken over by an institution much better able to carry them than was their former bank.

Herein is a feature of the working of the Canadian system of branch banks that gives much satisfaction in the Dominion. When a bank fails, or is absorbed, or goes into liquidation, the experience is that no diminution takes place in the aggregate sum of facilities supplied by the banks to the public. The closing of the branches of the banks going out of business is the signal for the entry of other stronger banks into the localities affected. Sometimes more new branches are opened than old ones are closed.

Though the two banking failures, coming so soon after the Sovereign and Ontario affairs and after a stretch of some six years during which no Canadian chartered bank failed, may have appeared to have significance, none was attached to them in Canada. Both were French Canadian, both small local banks. The district served by them is moreover wealthy and prosperous.

Production and Trade.

Canada is in similar case with the United States insofar as the outlook for 1908 crops and products is concerned. In nearly every direction increased yields are promised. The western prairie provinces furnish perhaps the fairest view. The wheat crop out there has so far done very well and the current estimates of the yield run from 110,000,000 to 125,000,000 bushels and beyond. In the East also agricultural conditions are good, though the rainfall was interrupted in some districts for a time. The fruit crops are good, the dairy industry is prosperous, and the mineral output increasing.

But, as the bank figures indicate, the stringency in money has not altogether disappeared. In the west where the demands for credits is always specially strong, complaints are heard that banks and loan companies are not lending as freely as they might. In one direction however much improvement is shown. London has shown a much greater readiness to supply capital for the needs of municipalities and railroad and other corporations in the Dominion. Thus far in 1908 saw upwards of $100,000,000 new Canadian securities floated in the British market. The larger amounts of this have been for purposes of new railway construction by the big companies. Among the later issues was one by the Ottawa Government for $25,000,000, 3¾ per cent. bonds at par—proceeds to be applied partly towards refunding bonds due in the fall and partly towards construction of the new transcontinental.

The transfer of these funds to Canada is expected to work an appreciable improvement in the situation as to short-term money.

The stringency has brought about, as expected, a right-about-face in the matter of foreign trade. Imports have fallen heavily and with them of course the customs duties. In all probability the flotation of the outside loans will offer something of a check to the decline in imports.

The principal railways are reporting heavy

decreases in gross earnings which have cut into net earnings notwithstanding energetic efforts at economizing. It is thought that decreases in gross will continue for a few months longer, but the confident expectation is that the western harvest will, this fall, enable the roads to show much better figures.

There has been a sharp falling off in immigration. The number of newcomers this spring is somewhere about half that shown for last year.

In connection with the mineral output it is acknowledged that the Cobalt field is gradually getting to be worked more thoroughly and scientifically. The mining companies are getting in shape to work lower grade ore and conditions are on a surer basis.

FOR GENUINE CURRENCY REFORM.

THE New York "Journal of Commerce," in a recent article, after speaking of the unsatisfactory composition of the Monetary Commission, said:

There is a distinct issue to be made in this matter of reforming the bank currency of the United States, and the purpose of this commission, as deliberately made up, is to suppress that issue. One side of it was presented in the Aldrich bill and the other in the Fowler bill. It is the issue between a permanent bond-secured, Treasury-controlled bank circulation, which is in effect a currency in which the banks are agencies of the Government, and a genuine credit circulation of the banks. The Aldrich idea prevailed in the passage of the makeshift bill and it is the purpose of the commission to carry it out, and, so far as it can, to give it permanency in any changes that may be recommended in the monetary system or the banking laws. That is what the commission was created for, that is why it was limited in its composition to members of Congress, and that is what determined the appointments of the Vice-President and Speaker of the House. What has thus far been done and what is contemplated by this commission scheme is the perpetuation of the rigid bond-secured plan of bank currency, the prevention of the one method of reform that would give elasticity and flexibility to the volume of the currency, keeping it adjusted to business requirements and preventing the emergencies which spring from alternate stringency and plethora and make the currency an instrument and incentive of banking speculation.

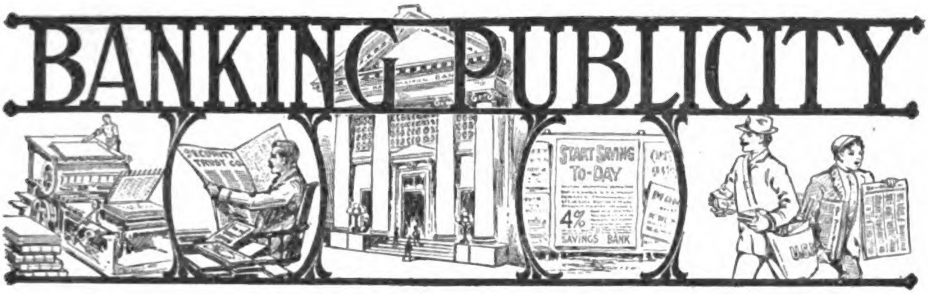
Convinced as we are that the only true function of banks in issuing current notes at all is to give circulation to their own credit on security of liquid assets, thus imparting to the volume of money an automatic adaptability to its one use of effecting the exchange of other things under a fixed standard of value, we can only regard this commission as a device for preventing reform instead of providing for it. If any progress is to be made there must be some organization formed to represent the other side of the issue. That may be represented in a feeble way in the Congressional commission, but if so it is by a minority that will be helpless to accomplish anything more than to raise its voice in protest. It can have little influence upon the course of the inquiry or the character of the report. The reform sentiment must have an organization of its own which shall represent the financial, commercial and industrial interests of the country and not the political or speculative interests, and it must utilize the knowledge and the judgment of experts which Congress has determined to ignore. The sentiment of the country needs to be informed, enlightened, educated on this subject, in order that the issue may take distinct form, be clearly understood and may appeal to the people. The opportunity is presented by what Congress had done and failed to do for a campaign of education which shall command attention. It is to be hoped that there is sufficient public spirit to set a propaganda of currency reform at work which shall result at no distant day in giving the United States a settled and permanent system, based upon sound principles and safe methods, which shall relieve the country from the violent ups and downs through which it has been forced to pass for forty years.

GERMAN-AMERICAN TRADE UNDER THE NEW AGREEMENT.

THE Department of Commerce and Labor at Washington gives the following interesting statistics regarding American and German trade relations covering the first ten months of the current fiscal year and comparing them with the four preceding years. The statistics are up to April 15, 1908:

	Imports from Germany.	Exports to Germany.
1904	$92,777,653	$197,854,603
1905	99,154,435	168,430,900
1906	113,461,566	204,518,670
1907	144,475,801	225,847,289
1908	121,978,179	250,724,722

The last noted decrease of imports is evidently due in great part to the late financial crisis in the United States as very generally evidenced by the returns from American consular districts.



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

FOLLOW UP SYSTEMS.

Something About Plans and Letters Suitable for Banking by Mail Campaigns.

TO get satisfactory results from "banking-by-mail" advertising is one of the hardest tasks that devolves upon the advertising manager of a bank or trust company.

But bankers agree that this class of business is very desirable as it brings many time deposits. Success along this line, therefore, is particularly worth striving for. In order to be of as much practical help as possible in our discussion of this subject we have secured information from men who are succeeding in this department of financial advertising.

One Institution's Methods.

We are reproducing some of the advertising matter of the Franklin Society for Home Building and Savings of No. 1 Beekman street, New York. Mr. Henry A. Theis, second vice-president of the institution, makes the following statement concerning its advertising:

In its advertising, the Society recognizes two essentials:

Strong advertising copy to attract inquiries, and

A concise and clear presentation of its principles and its methods.

By carefully selected advertising and judicious handling of inquiries, the Society has made rapid strides in the increase of its deposits. During the first ten days of January, in number, one-third of the new accounts were traceable to advertising; and in amount, three-fifths of the sum total of new accounts opened. The first five months of this year showed an increase in deposits equal to the increase for the whole year of 1907. Of the number of accounts opened, one-third were directly traceable to advertising, representing an amount one-half of the sum total to the credit of all new accounts opened during that period.

JANUARY AND JULY ADVERTISING.

The new business alone was far in excess of the total gain in deposits for the first six months of last year. It is the policy of the Society to advertise extensively around the first of July and January, when the minds of man are naturally turned towards their savings accounts. During the period intervening, a small copy is used to bridge us over until the next extensive advertising. The insertions in the various papers are doubly keyed, and a follow up card is made for each inquirer. A glance at this card will tell the source and substance of his inquiry, the letters and literature he has received, up to the time an account is opened.

A ledger account is opened for each medium, which shows the actual results in accounts opened and the cost of the advertisement. These two series of cards form a record from which all proportions can be readily worked out.

REDUCING ADVERTISING EXPENSE.

It is often claimed that it is undignified for a financial institution to use a follow-up system. Our records show that without it a great deal of business would be lost to us, and the cost of our advertising materially increased. The two together, properly managed, work hand in hand, and the following up of inquirers with dignified letters and literature, greatly minimizes the expense of advertising.

We are at present in the midst of our July campaign, and all indications point toward splendid results. Our list includes twelve New York dailies, and papers in Brooklyn, Newark, Jersey City and Providence, R. I.

A Model Form Letter.

The copy of one of the form letters used by the Franklin Society is as follows:

Dear Sir:

Referring to your recent inquiry, we are pleased to send you some additional printed

Advertising Matter of the Franklin Society.

matter about the Franklin Society. We hope you will find it convenient to read the enclosed leaflets and invite your attention respectfully to these facts:

1. The Society has a long and honorable business record, this being its 21st year in its present office location in the City of New York.

2. The Society is by law subject to the strict supervision of the State Superintendent of Banks, its books and securities being examined in detail, at least once a year, by a Public Examiner.

3. You do not speculate when you invest your savings in the Franklin Society. Your money goes into first mortgages on small homes, in a vicinity where population is growing faster than elsewhere in the world.

4. The Society has savings members in many states. Deposits earn from the first of the month following each deposit. We issue a little pass book that makes it very easy for you to save by mail.

Yours very truly,
H. A. THEIS.
2d Vice-President.

Speaking of this letter, Mr. Theis says: "It can always be depended upon to bring good results."

A Follow Up Campaign.

Detailed suggestions on name lists and mail campaigns for banks are given by C. L. Chamberlin of Osseo, Mich., as follows:

Many banks are now using newspaper advertising to increase business, and are doing so with remarkable success. But that success might easily be doubled, and at a much smaller expense by the use of a name list and a follow up system.

Banking by mail succeeds best when purely "mail order methods are used.

It is not sufficient to write a single letter or send one circular. A single piece of advertising matter may make an impression, but not a deep enough one to result in immediate action. If this letter is followed by a second and a third piece of advertising matter the impression is deepened and in many cases a customer is secured.

Mail order men say that selling by mail

would be a failure were it not for the "follow up" system.

Let us endeavor to learn just what a banker's follow up system should consist of, how the name list is made up, and how both may be used to the best advantage.

If the bank is to receive deposits and transact a general banking business by mail, its advertisements may cover many mediums and an extended territory. County papers make good mediums for any bank located at the county seat, whether it does business by mail or not.

A BOOKLET NECESSARY.

In either case, the bank should have a small booklet prepared to send inquirers by mail or in person. This booklet should contain a full statement of the advantages it is prepared to offer. It should be of a size to fit regular envelopes without folding. The 3½x9-inch envelope has special advantages. There is always an official appearance about a large envelope which aids much in getting its contents read by the head of a firm. It is claimed that when a large sealed envelope of good quality is used, the chances are that a subordinate will pass it along to his chief unopened, thinking it to be some private matter. Of course such care will not be necessary when mailing the booklet to a person who has asked for it, since the interest which stimulated the inquiry will cause the recipient to give the booklet a reading.

If an inquirer calls at the bank, the arguments of the booklet may be strengthened by a conversation between the caller and some one at the bank.

When the prospect calls in person, his name and address are taken and later recorded on a card which is filed in a card index drawer. The names of those who make inquiries by mail are kept in the same way.

The first contact with the bank may fail to make a customer of an inquirer, though this does not necessarily mean that he is no longer considering the bank seriously. People of the sort much of this advertising may be counted to bring in are not good business men as the term is commonly used. They are not familiar with the methods of banking and have not yet been convinced by its advertising literature that it can help them.

After one week has passed and nothing further has been heard from an inquirer it is time for the follow up system to begin its work.

THE FORM LETTERS.

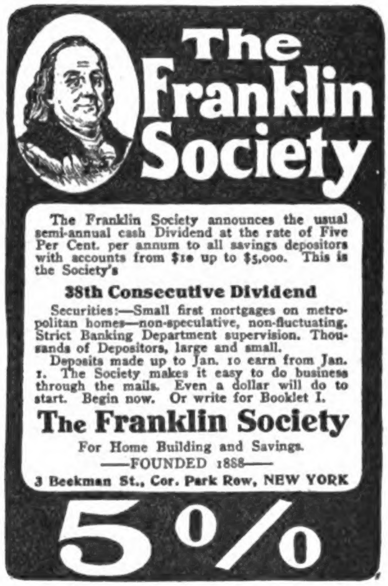
The first piece of follow up material sent will be a letter. This may be a personally dictated letter if the list of names is not large, and the bank officer has the time. Or it may be a form or imitation typewriter letter. In the latter case, the name and address of each individual will be filled in by a typewriter through a ribbon the ink of which is of exactly the same shade as that used in printing the letters. This letter will be something to the effect that since the bank has complied with the request for information it has been looking for a deposit, or at least a reply, in person or by mail, to report on the decision reached. If the contents of the booklet were fully understood and the advantages of a good bank realized, the bank feels sure the person would wait no longer.

If anything in the booklet was not fully understood the bank will be pleased to discuss the point either in person at the bank or by mail. May the bank not be favored by a call or reply?

If the time of writing is between the first and fifteenth of the month, state that all deposits made before the fifteenth will be dated from the first. Similarly, all deposits made after the fifteenth until the last of the month will date from the fifteenth.

RESERVING GOOD ARGUMENTS.

This is a good point to make, and should not be mentioned in the booklet, but held back for this purpose. When operating a follow up system it is always wise to hold back some one or two of the strong arguments for this time. If a man can be landed by the booklet he will be secured without the use of all the arguments. It is difficult to write good copy for follow up matter unless something has been thus kept in reserve.



After this letter allow ten days or two weeks to pass before sending anything more to those who have still failed to respond. Then send a folder gotten up in the best possible style, but consisting of only four pages. The contents might include opinions of well known men on banking, the advantages resulting from doing business with a good bank, etc.

These advantages should be definited stated for the different classes of people separately. Thus it may show reasons why the business man, farmer, workingman, teacher or professional person, should deal with the bank. It should show the advantages of saving by means of a bank by pointing out what systematic saving has done and will do. The advantages of checking accounts, and of having acquaintances among the financial leaders are also subjects on which much could be said. In general, the folder should aim to give a complete statement of what the bank can do for its patrons.

Such a folder may be accompanied by a very brief letter to the effect that the bank thinks the recipient may be interested in reading this little folder which the bank has just issued. The letter and folder should be sent in a sealed envelope of the same

grade as that used in the regular correspondence.

A HOUSE ORGAN.

Another period passes during which more drop into the bank, from which some become depositors. If the bank is not doing a regular business by mail, it may close the follow up with the next piece of matter sent out. Some banks may continue to send out a similar line for some time longer. Those doing a regular business by mail will find it of great advantage to publish a small magazine or house organ every month or so. This would be mailed free to all names on the mailing list. Oι course, whenever any person comes into the fold by becoming a yet ready to make use of the bank's facilities, but is interested and may have need of the bank's services in the future, the bank will gladly retain the name and continue sending anything which it believes will be of interest. This involves no promise other than an expressed interest in the bank's methods of business and a statement that whenever the person shall have use for banking facilities he will at least give the bank an opportunity to show what it can do for him.

GETTING EXPERT HELP.

A bank wishing to make use of a follow up system will find it money well spent to have all the letters and printed matter pre-

NAME Dr. H. D. K.....	SOURCE OF INQUIRY Times
ADDRESS Yonkers, N.Y.	DATE 1/14/08

SUBSTANCE OF FIRST INQUIRY Booklet

LITERATURE SENT						
1.	2.	3. 2/25/08	4.	5. 1/28. 2/25 1/15 3/25	6.	7.
8.	9. 2/25/08	10. 1/28/08	11.	12. 1/15/08	13. 1/28/08	14. 3/25/08
15.	16.	17.	18.	19.	20	21.

FORM LETTERS SENT						
A. 1/15/08	B. 1/28/08	C. 2/25/08	D. 3/25/08	E.	F.	G.

SPECIAL LETTERS SENT

APPLICATION MAILED	ACCOUNT OPENED DATE	PASS BOOK	
	6/23/08	857	2000.00

"Prospect" Card Record Used by the Franklin Society.

regular customer of the bank, his name will be removed from the mailing list and entered as a customer.

Before giving up entirely the name of any person who has once shown an interest in the bank it is well to send him a "special" letter. A skillful letter writer can produce a letter which will bring as high as four or five from every ten sent out.

In a letter of this kind some writers affect an injured air, and refer to the amount they have thrown away in postage and printed matter. While this kind of letter will many times bring a high percentage of replies, some of them are very apt to be of the sarcastic kind.

A better way is to refer to money or printed matter wasted only in the most general terms if at all. Speak of the time the writer has taken from the recipient, who is supposed to have read all this matter. Then say frankly that the bank has no desire to impose upon anyone. If people do not wish to make use of its services it has no desire to insist. Hence if the recipient of this letter does not wish to have his name remain longer upon the mailing list the bank will remove it and send no more matter of any kind. The bank encloses a stamped envelope for an early reply.

On the other hand, if the person is not pared by an expert. There is so much more drawing power in a well written letter. It does not lie in the number of words used but rather in the way in which they are put together. No banker who has not made an extensive study of mail order and trade soliciting letter writing can hope to produce copy equal to that of the expert. His letters may draw even fifty per cent. of replies, but if the expert's will draw seventy-five to eighty per cent. of replies, are his services not worth the increase in cost?

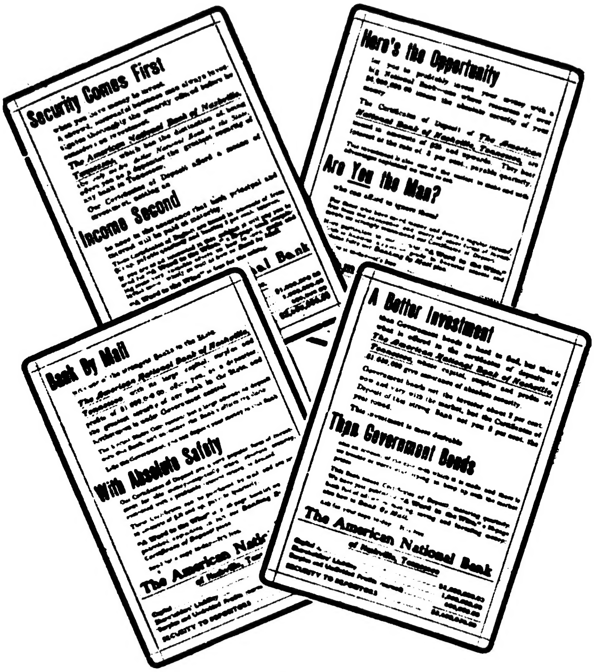
National City Bank of Chicago.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted for Comment.

THE following letter was received from Mr. Charles H. Wetteran, manager of the Department of Publicity of the American National Bank of Nashville, Tenn.:

I read with a great deal of interest your recent numbers on banking publicity, and enclose you herewith some of my advertising, which I would like very much for you to pass upon.



Educational Copy.

We have been getting out, until recently, monthly blotters, samples of which I enclose and we also do a great deal of advertising in the daily newspapers.

I enclose you several of our latest copies together with booklet, which we have just published, entitled "A Word to the Wise," which is referred to in our daily advertisements.

We have three daily papers here, in which we run the same ad. for one week. We also advertise in a great many of the weekly and monthly periodicals published here, and all our ads. in these publications are changed monthly.

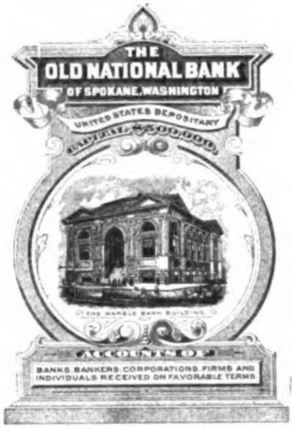
If it is not asking too much of you, I would appreciate it very much if you would give me your opinion of the merits or defects of this advertising matter.

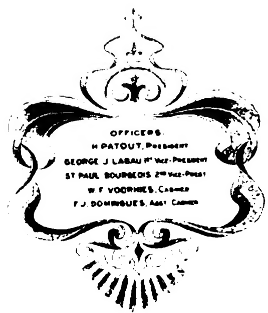
Samples of the newspaper advertisements referred to are reproduced herewith. These ads. are very good. The novel display type arrangement will attract attention, while the copy is sound commonsense talk. It takes a little time and ingenuity to get up ads. like these, but it pays to do "something different" in advertising. The blotters are attractive. The booklet, "A Word to the Wise," is largely an adaptation of a booklet "You and the Rainy Day," written by the editor of this department for the National Bank of Commerce in St. Louis, so modesty forbids our commenting upon it, although we appreciate the compliment.

The Delaware National Bank of Delaware, Ohio, prints a steam and electric railroad timetable in connection with its statement folder. Speaking of this feature Mr. V. T. Hills, president, says:

As our railroads do not publish time cards in the newspapers, these pocket folders giving the time of trains have proved a convenience and seem to be much appreciated by the public. Whether this sort of advertising will bring substantial returns remains to be seen. It is not expensive.

The value of such advertising as this lies in the fact that it is a good will creator,





Look on this Picture and then on That.

and while the circulation is limited, the folders are likely to be kept in constant use by those who do get them. If this brings in even a little new business it will pay.

Mr. Hills in his letter continues:

Amongst advertisements noted in your June number is one containing the following:

WHAT'S GOOD ENOUGH FOR UNCLE SAM IS GOOD ENOUGH FOR YOU.

Uncle Sam has just deposited in the Quincy National Bank $100,000. First our affairs and standing, our assets, etc., were investigated by the United States government and found to be in a safe and sane condition.

UNCLE SAM IS TAKING NO CHANCES WITH HIS MONEY.

We merely mention this fact as a demonstration of the solidity and saneness of this Bank and its methods.

A bank that the United States government voluntarily trusts with $100,000 is trustworthy to become the guardian of anybody's money. Of that fact there can be no doubt.

Does this bank propose to secure its depositors by giving them as collateral Government bonds at par value, or other acceptable bonds at ninety per cent. of their market value, as we surmise it did with Uncle Sam? It does not say so. Or is it possible that this bank was found, upon examination, to be in such "a safe and sane condition" that the United States Government "voluntarily" trusts it with $100,000 without security, as it would have its customers imply? We ask for information. There are so many things we do not know in banking.

Mr. Hills' point is probably well taken. It is never well to give even the slightest opportunity for misunderstanding of your advertising, and it is quite likely that if everybody knew as much about the con-

ditions required of United States depositories as bankers do this particular advertisement of the Quincy National Bank would not be considered especially strong.

In regard to the "deadly parallel" as shown in the two statement covers reproduced herewith, an officer of the Old National Bank of Spokane, Wash., which claims priority in the use of the design, says:

We do not wish to be understood as criticising our bank friends for stealing our thunder, but think that a lithographer who will accept an order of this kind should be brought in for a little roast.

Shakespeare said: "No great men are original," but he lived before the days of modern advertising. Now originality is one of the prime requisites for successful advertising. 'Nuff said.

We reproduce a few newspaper ads. of the Peoples' Bank and Trust Co., of New Haven, Conn., written by Mr. D. G. Saltsman, of the advertising department of the New Haven "Register."

In regard to the ads. Mr. Saltsman writes:

Noting your excellent Publicity Department in the June issue of Bankers Magazine, I enclose herewith several ads gathered promiscuously from duplicates from our scrapbook of ads. These ads were written by me for The Peoples Bank & Trust Co. of this city, and as I am anxious to center all the pulling power in these ads possible, desire your criticism from that standpoint.

Of course, were I to use these ads again many improvements could be advantageously made, but this same fault happens in practically all the ads and which I wish to eliminate. Typographically, all could be improved, but as these ads were clipped from three different papers, and owing to the use of but one style of makeup, find it difficult to get good type effects. Ads of this size—double column—five inches—are too short for proper display, they should be at least seven inches deep. If they need it—give 'em the hook. Would be pleased to hear from you direct, though you are at liberty to use the ads as you deem necessary for the benefit of all pushers for business.

Good Advertising.

These ads. don't need "the hook" at all, unless it be a pruning hook on one of them which is too long, but the fact that President Roosevelt's name appears in the head saves that ad. from oblivion. We don't see but what Mr. Saltsman has done very well, considering the conditions. The headings are strong and interest-compelling. There are not too many styles of type in the ads. There has been liberal use of white space for display and the copy of the advertisements gets right down to business, especially in the ads. headed "Results of Savings" and "The Saturday Night Bank."

Hurrah! There's a new star in the flag. The Oklahoma banks are good advertisers, if a little unconventional in publicity matters withal. We are reproducing a portion of the front page of the Lexington (Okla.) "Leader" of July 3. It shows how a national bank let the eagle scream in honor of the Fourth and how a state bank makes use of its new talking point—the state guaranty of bank deposits. It will be noticed that the state bank does not hesitate to stick the harpoon into its competitors. The exchange of such amenities makes interesting reading, but our advice to any advertiser who feels like scrapping with his competitors in paid newspaper space is to "forget it," and ignore competition as far as advertising is concerned.

IF IT HAPPENED IT IS IN THE LEXINGTON LEADER ONE YEAR $1.00

LEXINGTON LEADER.

LEXINGTON LEADER FOR SUPERIOR JOB PRINTING

VOLUME 17 — LEXINGTON, CLEVELAND COUNTY, OKLAHOMA, FRIDAY, JULY 3, 1908. — NUMBER 41

Hurrah For The Fourth!

The Boys and Girls of Cleveland and Pottawatomie counties and their Patriotic, Liberty-Loving Parents may spend the Grand and Glorious Fourth in the field plowing and hoeing instead of at the picnics tomorrow

But celebrate by all means, if you possibly can and DO let the little folks celebrate some of the day at least, because a New Star, Oklahoma the 46th, adorns Triumphant Old Glory this Fourth.

The grown folks, the boys, and the girls may need small change in buying fire crackers and lemonade. The FARMERS NATIONAL BANK is HEADQUARTERS for big money or little money. It is the Money Store of Lexington, the place to get good money at all times.

This Bank, Strong, Safe, of proven Stability, and Independent of other banks is under direct control of the U. S. Government for which our fore-fathers fought so bravely to establish; publicly declared, and permanently founded July the 4th, 1776.

This same old government, Time Tried and True, has absolute power over the affairs of this bank. It will keep your money secure from loss, fire and theft. Declare YOUR independence, by starting a savings account to-day.

FARMERS NATIONAL BANK

A Bank Guaranty Plank

Governor Haskell said yesterday that undoubtedly an effort would be made at Denver to insert in the platform of the Democratic party a plank for a national guaranty deposit law similar to that of Oklahoma. Governor Haskell was responsible for the enactment of this law in Oklahoma, taking it from a bill introduced in congress about fifteen years ago by William J Bryan.

Death of a Little Boy

George, the two-year old son of Mr. and Mrs J. M. Robinson, of our city, died Sunday afternoon at 5 o'clock, after a months illness with chronic stomach trouble

The remains were laid to rest in Lexington cemetery Monday afternoon at 3 30 o'clock

The Leader joins a host of friends in extending sympathy to the bereaved ones

W. M. Newell For Representative

In this issue will be found the formal announcement of W. M. Newell, of the law firm of Newell & Jackson, for the office of representative to the second legislature from Cleveland county. Mr. Newell is not a candidate upon his own volition and only after numerous solicitations from the democrats of the county and town did he decide to become a candidate for this responsible position and especially responsible at this time for a great deal depends upon the second legislature [illegible]

UNSECURED NATIONAL BANKS

It is a wonder that the unsecured National Banks can't get busy with something else besides kicking on the State Banking Law

Why is it that they worry so much about it?

They do not have to secure their depositors unless they want to. It is voluntary with them, and still they keep on kicking.

They import a great bank lawyer from New York City to come down to Oklahoma and make a speech against the banking law of Oklahoma.

They roast the state administration, and everybody else that don't agree with them, and yet it is at their own option whether they protect their depositors by the State law or not.

We wonder if the real cause for kicking is the amount it costs them to buy foreign deposits to keep their showing good. If the State law is no good why dont they ignore it.

The facts seem to be that it is a good law, and that they have to pay a premium to compete with the bank whose depositors are made safe by the State Guarantee Law —New State Tribune, Muskogee.

SECURITY STATE BANK

THE REPUBLICAN PARTY IS IN FULL RETREAT.

The republicans who attended the national convention as spectators and joined in the demonstrations in favor of President Roosevelt and Senator LaFollette must have felt indignant as they watched the panic stricken delegates running over each other in their effort to get away from the LaFollette reforms some of which had been [illegible]

an indictment against the [illegible] formed among the great [illegible] to prevent the enforcement of the law and to evade the punishment provided by law. [illegible]

Bank Advertising in the New State.

The Farmers' National Bank, H. A. Hawk, cashier, writes us about its advertising as follows:

> Herewith we enclose several original copies of our house organ and newspaper advertising as written and used by us.
>
> These are submitted for your criticism and comment. If we are getting up good convincing copy we are desirous of knowing it and if it is weak and needs criticising we also want to know how to make it better.
>
> In order that you may see the general run of our weekly copy in local paper we have mailed you several under separate cover. We had to resort to the larger space to get sufficient "white space" and bold display, though we much prefer the two-column width and seven inches deep.

The general style of these advertisements is the same as the one reproduced. The copy of three of the others is as follows:

DRY FARMING

> Isn't the word to use if that is all a person is going to say about it. Dry Farming simply means to get the BEST results, whether the country is dry or wet.
>
> People get the idea, Dry Farming is an experiment to be used in dry weather countries only, and where there is rain farmers don't need to use the system.
>
> We are taking the matter up with a view to getting some information of value to the farmers of Cleveland and Pottawatomie counties. We suggest that you subscribe for some good farm papers and begin taking lessons at once in this system of farming.
>
> We have tried wet farming about long enough. The Farmers National Bank, of Lexington, stands ready and willing to help the farmers along the information line of good farming, as well as financial matters.

This bank has stood the TEST OF TIME, and it does not resort to experimenting or encourage costly experimenting among farmers, but approves all things that have proven themselves good. No doubt good crops may be increased largely, in this locality by the use of Dry Farming.

Whether it be wet or dry farming, when you need the services of a Safe, Conservative Bank in your business call on the "Old Reliable."

THE POOR MAN'S CROP.

Cotton, above all others is the poor man's crop. It requires no big outlay for machinery like wheat or oats.

Cotton planting time is here, and a liberal acreage planted to cotton means lots of money for you next fall, because it is usually a safe crop.

Cotton growers sometimes need to hire extra help to keep down weeds and grass. This may take more money than you expected for the year's work.

Cotton farmers, like all others, can get money any time at this bank to promote their farm work, and they will find it their best friend at all times.

Cotton and live stock are two good things for you to grow, if you want to make or save money for yourself and those dependent upon you.

WORKING FOR A FARM.

Many men have earned a farm working for men who owned farms. Many men have gotten good farms by saving the money they got by working for such men.

The Farmers National Bank of Lexington has helped many men to get farms in Cleveland and Pottawatomie counties. It has helped them improve and cultivate their farms as well as to make the payments on the land by furnishing the money.

Some of the shareholders of this bank made their start and got their farms by working for men who owned farms and by saving the money they earned working for other men. They know better than any one else in this community the value of the farmer's dollar, and how it should be safeguarded in a good strong bank.

This bank is ready and willing to help other men get farms, or to start a business of their own. You, too, can get help and timely advice by making your credit good with this big bank.

The house organ matter is likewise good and we hope to be able to reproduce some of it in a later number. As a whole this Oklahoma bank advertising is good. It is educational and reflects the enterprise of the institution that gets it out. It is the same pushing spirit that sent a trainload of Tulsa boomers to the East last spring to make the effete East sit up and take notice.

IDEAS AND SUGGESTIONS.

A LARGE mail order dealer says that pictures increase the pulling power of his advertisements very perceptibly. In his circulars he offers coffees. Those advertisements which have a picture of the can sell more coffee than do those without the picture. There are several reasons why this applies to other kinds of advertising, including that of banks. In the first place, the circulation is greater because the picture attracts more attention to the ad. Then the impression the ad. makes is more lasting as the picture gives the reader a concrete mental concept—something around which the imagination can build up pictures and the mind create ideas along the lines suggested by the advertisement.

In regard to the choice of stationery stock, the "Printing Art Sample Book" says:

Commercial forms are of increasing importance because so much business is now transacted by correspondence. In many instances stationery is the only point of personal contact between business firms, and it has therefore special responsibility as representative of the style and standard of those concerned.

With the universal adoption of the typewriter the general character of stationery has been changed, smooth writings and superfines being superseded by linens and bonds. These have a surface which gives the clearest impression, and are best suited to typewriter use. As a result there has been an exceptional increase in the use of bond papers with the lightness, strength, and evidence of quality so desirable for letter-headings.

A very desirable form of advertising, especially for large banks which have many correspondents throughout the country, is to secure a special edition of some handy-sized book of real value to bankers, have advertising matter of your institution printed on cover or fly leaf and send it out broadcast with your compliments. As a good will producer and constant reminder of the claims of your institution this method is second only to constant advertising in a standard financial publication. The Bankers Publishing Company has a number of new, low-priced and copyrighted books which it is prepared to sell to banks in quantities for this purpose. Correspondence is invited.

ADVERTISING MANAGER CHANGES.

A. D. SALLEE, formerly advertising manager of the Mellon National Bank of Pittsburg, now occupies a similar position with the investment house of J. S. & W. S. Kuhn of that city.

Make a Memo to do some of this Kind of Advertising Next June.

INCREASING INTEREST IN FINANCIAL PUBLICITY.

ONE sign that there is increasing interest in the subject of financial publicity and a recognition of the efforts being made to improve the quality of the advertising of banks is the fact that, following the example of THE BANKERS MAGAZINE, several other financial publications have established departments to deal with this subject. One of these papers has been appropriating matter from our columns without giving credit and another has been running a series of articles to some extent a paraphrase of chapters of our book "Pushing Your Business." But we do not mind. Imitation is the sincerest flattery. Let the good work go on.

FOR BETTER ENGLISH.

"A Desk Book of Errors in English," by Frank H. Vizetelly, F. S. A., is a valuable handbook for anyone who writes or dictates. An easily besetting sin of English-speaking people is a tendency to use colloquial inelegancies, slang, vulgarisms, and the vernacular of the street, or to abuse and misuse words. This corruption of English may be attributed to our abnormal passion for novelty. The purpose of this book is to correct careless vulgarisms that have crept into the language, so that any one desiring to acquire refined speech may learn from its pages what to avoid. The book is arranged alphabetically so that its contents are available for immediate consultation.

The book consists of 232 pages and is well printed and bound. It is published by the Funk & Wagnalls Co. Price, 75 cents. The Bankers Publishing Co. will forward the book to anyone, postage prepaid, on receipt of the price.

ONE HUNDRED YEARS OF BANKING.

A Handsome Commemorative Book for Westerly Institution.

THE Publicity Department of the Bankers Publishing Company has published an attractive historical booklet for the Washington Trust Company of Westerly, R. I., which is now in the second century of its existence. Some of the cuts used in this booklet are reproduced in this department.

In speaking of this book the "Wall Street Journal" said:

The Washington Trust Company of Westerly, R. I., has issued an artistically gotten up little book, entitled "One Hundred Years of Banking in Westerly," in which it relates the history of that institution since it was established as a state bank in June, 1800. It opened with a capital of $50,000, and on Washington's birthday, 1801, paid its first dividend.

CHARLES PERRY
President Washington Trust Co.

Rouse Babcock was the first president. He received no salary, but the cashier, as active manager of the bank, received $350 a year. Showing how primitive banking methods were in those days it is mentioned that the bank bills issued were of such crude workmanship that it was necessary to print Washington's name over his picture, otherwise no one would have known whom it represented.

The bank became the Washington National Bank in 1865, and took over the National Phenix Bank of Westerly in 1901. In 1904 a merger was arranged with the Washington Savings Bank and the name was changed to the present Washington Trust Company.

The capital of the company is now $200,000, with $200,000 surplus and undivided profits of $63,000. Deposits are over $3,500,000.

Building of the Washington Trust Co., Westerly, R. I.

The present officers of the Washington Trust Company are: Charles Perry, president; Charles P. Cottrell, vice-president; and Arthur L. Perry, treasurer.

Old Bank Bills Issued by the Washington Bank.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THE Canada Permanent Mortgage Corporation of Toronto issues a series of well worded and well printed advertising cards suitable for enclosing with correspondence. The text of one of them is as follows:

The debentures issued by this corporation are a security in which executors and trustees are authorized to invest trust funds.

They bear interest at FOUR PER CENT. per annum payable half-yearly.

They are issued in sums of one hundred dollars and upwards, as may be desired by the investor, and for terms of from one to five years.

Interest is computed from the date on which the money is received.

They have long been a favorite investment of benevolent and fraternal institutions, and of British and Canadian fire and life assurance companies, largely for deposit with the Canadian Government, being held by such institutions to the amount of more than ONE MILLION DOLLARS.

A miniature specimen debenture, with interest coupons attached, will be forwarded on application.

The Bond Department of the Mellon National Bank of Pittsburg, Pa., recently issued a booklet on the investment securities it handles. A good feature of the make up is that the booklet is bound at the end and the leaves are perforated as in a check book, so that the description of any particular bond can be detached easily if occasion requires.

We are reproducing one of the tasteful new advertisements of the Cleveland Trust Company's banking by mail department. That company has recently published a 114-page, clothbound book, entitled, "The Cleveland Trust Company, An Epitome of the Past, a Chronicle of the Present, a Promise of the Future." The book contains a description of the company's new building; a history of the company; an article by H. Clark Ford on "Branch Banking," and another on "Foreign Exchange" by Gustav Fingado. Typographically, the book is a masterpiece. The illustrations are printed in delicate tints on fine pebbled paper. The type is very clear and generous page margins are used throughout the book. Altogether, the book is one of the most attractive that has come to our notice in a long time and we have no doubt that it will find a permanent place on many a bookshelf.

The Columbia Bank of New York city recently issued a booklet containing views of the interior and exterior of its building and interesting matter concerning the facilities which the bank offers.

Strong Magazine Copy

Following is the text matter of several newspaper advertisements recently used by the Union Trust Company of Chicago, under the heading "Sermons on Banking:"

THE TEXT.

In spite of the immense amount of talking and writing and lawmaking that is now being done by the newspapers, bankers and legislators on the subject of banks and banking, we think there is something more to be said, and we propose to say it.

We don't propose to talk about "Elastic Currency" or anything else of a technical nature—we propose, rather, to discuss the interesting matters about a bank which concern the practical, every-day sort of person in Chicago. We will publish these in a series of simple, straightforward talks on the subject which will appear in this space every week. Watch for them—you will find them interesting.

A VERY MYSTERIOUS AFFAIR

Is what most people think of the ordinary bank statement. They are more than half right. When you choose a bank pick out 3 items from the statement. Look for the amount of deposits. They show the public's confidence in the bank. Then look for the amount of capital and surplus. They show the business prosperity of the bank. Another thing:—see to it that the capital is com-

mensurate with the total of deposits, and that the surplus is real,—earned. Then you're safe.

Ask Mr. Ehlert for Souvenir "B."

All savings deposits made on or before April 10 will bear interest from April 1.

IT IS NOT A SOLEMN CEREMONY

To open a savings account. There is nothing mysterious or complicated about it, and no more than ten minutes' time is necessary to do the whole thing.

Just call in—ground floor of the Tribune Building—and ask for our Mr. Ehlert. He will see that you are started off right. Then you can walk out of the bank with the consciousness that the matter is off your mind and a start made. It's a comfortable feeling.

Ask Mr. Ehlert for Souvenir "B."

WE DON'T BELIEVE IN PESSIMISTS

Or calamity howlers. But we are not pessimists when we say that no man is safe unless he has a little money laid away for the rainy day that may come at any time. You know that yourself. It doesn't matter how large a salary he is now getting either. The point is to get a start. Our savings system is simple and makes it easy to start and gradually continue. Mr. Ehlert is here to explain it.

Ask Mr. Ehlert for Souvenir "B."

IT IS EMBARRASSING TO BORROW

Even from one's best friend. It hurts one's pride. If you have experienced this you are probably a savings depositor right now. If not, why don't you escape this mortification and embarrassment of borrowing by piling up a little money ahead? It gives one a big relief. Come in and introduce yourself to our Mr. Ehlert, who will see that you are given proper attention.

Ask Mr. Ehlert for Souvenir "B."

All savings deposits made on or before April 10 will bear interest from April 1.

YOU KNOW YOU OUGHT TO SAVE.

Everybody knows that. But there are thousands in Chicago who have no savings accounts. Why? Because they have "never gotten around to it"—have never taken time to go to the bank and actually open an account. Here's a suggestion: Make out a memorandum "savings account, Union Trust Co., Tribune Building," keep it before you and attend to the matter at your earliest convenience—say at lunch time today.

Ask Mr. Niemeyer for Souvenir "A."

Concernings these advertisements, Mr. C. B. Hazlewood, advertising manager, writes as follows:

I enclose a set of advertisements which I have run in the Chicago papers with very satisfactory results. The keying system I used worked admirably. By inserting the names of the manager and assistant manager of our savings department in the form of "Ask Mr. Niemeyer, etc.," these men were able to trace results automatically and without the necessity of asking "Where did you see this ad or what brought you in here?"

This company has published a booklet entitled "Money Earning Money," which contains about a dozen charts showing graphically how interest will make various amounts of monthly savings grow in the course of different periods of time.

The Prudential Trust Company and the Prudential Savings Bank of Topeka, Kan., have published some attractive booklets which should prove effective advertising for them. One is entitled "What a Trust Company May Do," and the booklet gives the information suggested in its title in a clear and concise manner with particular application to itself. The company has also issued a small edition of the booklet containing a summary of the strong points of its service. The Prudential State Savings Bank has issued a folder which calls attention to the security and profit of a savings account with it.

The Fidelity and Casualty Company of New York issues a monthly bulletin for the information of its agents. It is a more than ordinarily interesting house organ containing up-to-date arguments for the use of its representatives in their canvas for new business.

The First National Bank of Pittsburgh makes a special appeal for the business of foreigners in the following advertisement:

FOREIGNERS CAN TRANSACT BUSINESS IN THEIR OWN TONGUES.

All languages are spoken at the First National Bank of Pittsburgh, and every detail of foreign business is attended to with promptness and accuracy. Foreign money of all denominations bought and sold. Money remitted to any point abroad, by mail, cable or money order. Steamship tickets sold and berths reserved. Tourists supplied with Letters of Credit and Travels' Checks. Passports obtained when necessary, and clients kept informed of the movements of ships. Commercial credits established abroad for importers.

Interest paid quarterly on savings accounts.

Is Your Bank Account Insured and Guaranteed?

If not, why not?

The Guarantee Bank Deposit law of the State of Oklahoma makes EVERY DOLLAR DEPOSITED WITH THIS BANK AS SAFE AS U. S. BONDS and available on demand.

We Pay 4 Per Cent. Interest

on time deposits, interest compounded semi-annually

Write for our folder, "*Safety for Savings Accounts.*" It tells about security in guaranteed banks.

Open an account with us by mail to-day; delay may mean loss to you.

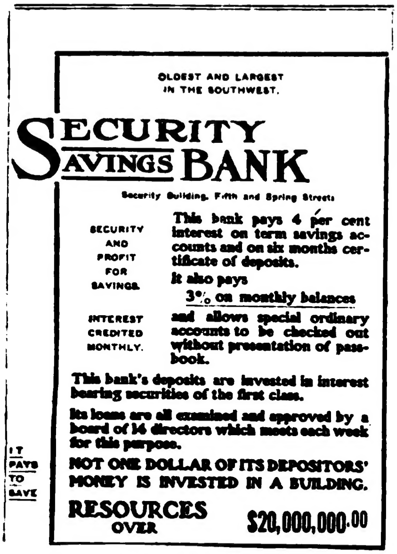
Oklahoma State Bank
Muskogee, Okla.

A Magazine Ad.

A Handy Bond Table and a Good Ad.

The Real Estate Trust Company, of Pittsburgh, is giving away a "Business and Financial Primer," which consists of about 40 pages of valuable information in the form of a financial dictionary. On the covers of the booklet is the advertising of the company. We think that this idea of giving away something of permanent value

is a very good one as it not only enables the institution to keep its name before a large number of people for a long time but it also provides a means of getting people to come into the office and gives the institution the opportunity of getting the names and addresses of prospective customers. This company also issues a monthly house organ entitled "The Shield." It is edited by Edwin B. Wilson. As its subscription price is "free for the asking," we have no doubt that it has a large circulation. It is very well written and printed and ought to be an effective piece of advertising literature. As it carries the ads. of local merchants and others it will undoubtedly pay for itself in this way, aside from the new business which it brings to the company.



A Good Savings Ad.

A new booklet descriptive of the banking, safe deposit, women's, trust and banking by mail departments of the Citizens' Savings and Trust Company of Cleveland, Ohio, has just been issued by that institution. On the cover is tipped on a photograph of the company's building and the first page contains its latest statement.

"How National Banks are Safeguarded" is the title of a well prepared and well printed booklet issued by the American National Bank of San Francisco. This bank also issues a financial letter. That of June 25 is a little out of the ordinary for literature of that kind as will be seen from the following paragraphs:

Facilis descensus Averno, observed the Roman poet. Which means, somewhat freely translated, that any machine with a decent brake can go down hill without effort and without delay, but it takes a pretty fair car to climb up again, on the high gear. Those who are impatient because recovery does not proceed with six-cylinder swiftness might do well to consider this.

As a matter of fact, signs of improvement are easily visible to those who will but see. The two factors of greatest moment, crops and politics, are taking more satisfactory shape every day. Bank reserves are very high, financing of railroad projects is going on without friction, idle cars are getting busy once more, and price adjustments are gradually getting to the point where buying activity is stimulated.

"After Three O'clock" is the title of a booklet recently published for the First National Bank of Northfork, West Virginia. It is an interesting description of what takes place every day after a bank's doors are closed to the public. In addition, the booklet gives particular details concerning the service offered by this bank.

Shortly before the Fourth of July, the Ottumwa National Bank of Ottumwa, Iowa, sent out its statement done up in an imitation fire-cracker which had printed on it the words, "Pull the string and get a report." Upon pulling the string, the recipient had before him the latest statement of the institution.

We have received the following letter from Mr. A. G. Boal, cashier of the First National Bank, of West Elizabeth, Pa.

Enclosed find the July number of "Thrift," our monthly advertising paper. The ads on pages 4, 5 and 8 are our own make. The one in reference to Farmers' bulletins needs some explanation. We have secured a number of these bulletins which are placed on a table in the lobby and marked, "Look Them Over and Help Yourself."

Our farmer customers are taking an interest in these bulletins and we have had requests to send for others which we did not have. Our idea is that if we can help the farmers to better their condition, we have helped ourselves. It will take some time for this scheme to bear fruit, but we think it will work all right. We have arranged with our State Department of Agriculture for a supply of its publications also. What we try to drive home to our customers is this, "Your Prosperity is Essential to Ours." That sentence does not appear in this number, but it is used frequently.

The farmers' bulletin idea is still in its infancy and we expect to develop it considerably. So far as we know, no other bank in the country has made use of this plan. If you know where it has been used before I shall be glad to know about it.

The house organ and the advertisements referred to are very good indeed, and it is not surprising to learn that this institution is getting good results from its advertising. We hope that any of our readers who are using the farmers' bulletin idea will write to Mr. Boal about the matter.

A Bas-Relief of "Victory," Conqueror Trust Co. of Joplin, Mo.

The Security National Bank of Minneapolis, Minn., has published a very beautiful booklet describing its new banking rooms and telling what it has to offer to the people of Minneapolis. As a printing job, it would be hard to excel this booklet and as the stories of the institution's facilities are well told, there is apparently no reason why the booklet should not prove a very good investment for the bank.

Mechanics-American National Bank of St. Louis.

Another very attractive booklet is that just issued by the Third National Bank of St. Louis, Mo. This bank has recently entered its new 18-story building at Olive street and Broadway, the most prominent corner in St. Louis, and it has signalized its entrance into its new home by issuing this booklet which contains a full description of the building, with a large number of excellent cuts. In addition, the booklet contains the customary financial statement and an account of the banking facilities offered by the institution.

With its May 14 statement, the Bank of Pittsburgh, National Association, published some interesting statistics concerning the resources and industries of Pittsburgh, being a reproduction from "Industry," edited by Edward White.

The First National Bank of Chicago issues one of the brightest house organs of any bank in the country. It is entitled "The Review" and is edited by the advertising manager, Mr. Fred W. Ellsworth. The particularly interesting feature of this publication is that it is published by the employes and not by the officers of the bank. It will pay anybody interested in this work to see a copy of "The Review."

Financial institutions in college towns often make a particular effort to secure the business of students and faculty. The following letter is one which the Bunker Hill Branch of the City Trust Company of Boston recently sent out to Harvard students:

Dear Sir:—

If you purpose being in this vicinity during the coming year, it would be a most excellent plan to become identified with a prominent Boston bank.

We address you in the interests of the City Trust Company, because we have noted that there is some hesitancy on the part of young men in opening an account with a large banking institution. We wish you to feel, however, that your account, irrespective of its size, will be most welcomed at this Trust Company.

As you may observe from the enclosed statement, many of our officers are Harvard graduates, and, for this reason, take an interest in those Harvard men who are about to start their business or professional career.

With this end in view, the writer would be glad to see you at any time, and to advise you on all financial matters.

Trusting that we may be of service to you,

Very truly yours,
Percy D. Haughton,
Assistant Secretary.

CURRENT OPINION

UNCLAIMED DEPOSITS.

"WHOSE MONEY" is the title of an editorial which appeared in a recent edition of the Hartford (Conn.) Times. As the article deals with a question which is now before the banking fraternity it is given herewith:

Why may not the officers of a savings bank make a contract with every depositor providing that, in the event the money deposited and any accruing interest shall not be withdrawn within a given period by the depositor or his legal heirs or assigns, the whole amount may be treated as the property of the bank, to be apportioned among the other depositors, such apportionments to be made in the form of extra dividends, from time to time?

Some disposition of unclaimed deposits in banks must be made, sooner or later. If the United States starts a system of postal savings banks it will undoubtedly treat unclaimed deposits as a part of the government funds, or as profits on the business, just as it does the immense sums that are never called for by the purchasers of money orders. If the United States government can go into the banking business and can appropriate to its own use unclaimed deposits (as it already does in the case mentioned) why may not the depositors in a state savings bank be allowed to make a similar arrangement with each other?

The State of Massachusetts has attempted by a law enacted in 1907 to appropriate all savings banks deposits which have remained unclaimed for more than thirty years, and where no claimants can be found. But the officers of that great Boston savings bank, the Provident Institution for Savings, think this law unconstitutional. They hold that it is in violation of the fourteenth amendment to the constitution as depriving persons of their property without due process of law and in violation of the state constitution, and further, in contravention of the federal constitution as impairing obligations or contracts.

The question is to be taken to the United States Supreme Court for settlement. Attorney-General Malone has ordered the bank to turn over $120,000 of such moneys to the state treasurer. At a hearing before Judge Grant in the Suffolk County Probate Court the bank officers have refused to obey the order, while Judge Grant sustains the state law. This enables the matter to be taken to the federal courts. It does not appear that the Boston Provident Institution wishes to make any disposition whatever of the $120,000 which the state has demanded. It naturally desires to keep the money as a part of its property, still subject to the demand of any legal claimant who may present himself.

Within the past few days The Times has published a list of the unclaimed deposits in Connecticut savings banks. This publication is made in order to facilitate the distribution of the money to those who may rightfully claim it. But it is certain that many of these deposits will never be legally claimed and some disposition must be made of them. All the funds of a mutual insurance company belong to the persons who are insured in it, and why should not the funds of a savings bank belong to those who place money on deposit there? Distribution of unclaimed deposits after a certain period among the known depositors need not destroy the liability of the bank to pay any legal claimant to such deposits who may turn up at a later time. The point is that our state savings bank system should be made as attractive as possible to depositors, and it should be the policy of the state to make such local institutions more remunerative and desirable for depositors than any federal system of absorbing the savings of people, such as the politicians of all parties are now favoring, can ever be made.

SOME COMMON FAULTS OF OUR RESERVE SYSTEM.

PROF. J. E. BOYLE in a recent address made before the North Dakota Bankers' Convention, gave some convincing arguments which show the alarming weaknesses of our reserve system. He said, in part:

Our national bank legal reserves form a wonderful system of "mutual props." And as a system it is truly one of the greatest banking absurdities of the civilized world. Take a typical case. Here is a national bank in Fargo, say. It must have a reserve of fifteen per cent. But it may keep six per cent. in its vaults and deposit nine per cent. in reserve cities. Accordingly it deposits most of its reserve in St. Paul. St. Paul must have twenty-five per cent. reserve, counting, of course, your Fargo deposit. But St. Paul may keep twelve and one-half per cent. in St. Louis, Chicago or New York. Accordingly about half—say ten per cent.—is deposited in New York. Now you will notice that your Fargo reserve is also a St. Paul reserve. How can the same dollar be a reserve in two different banks at the same time? Common sense says it cannot be. Nothing can be a reserve that you have not actually got in your possession. And yet the law permits the dollar to count in two banks, yes, we may even state, in three banks at the same time.

But some fine day in October, when the word is passed down to you that St. Paul cannot let you have your reserve because St. Paul cannot get it from New York, you realize that your reserve is a little like the

shell game at the country fair. Now you see it and now you don't. On such occasions we see the dependence of the Dakota bank on Wall Street, and we see Wall Street itself the victim of a wrong system. So much for the wording of the law. If the law would state clearly that the reserves are to be six per cent., twelve and one-half per cent. and twenty-five per cent., as it clearly means, those amounts to be held in the vaults of the banks, and should leave the question of deposit in other banks entirely to the individual banks, the whole question would be greatly simplified. If these reserves are not large enough, or are too large, is a question which could then be settled on its own merits. It now confuses the entire public.

One point is clear; a reserve is not a reserve unless actually in the vaults of the bank. F. A. Cleveland makes this criticism: This national bank act and also the state laws are defective, in that they permit all the banks outside of the central reserve cities to loan their "legal reserves" and still count these loans as reserves for meeting obligations to pay depositors. This has permitted banks to unduly expand their credit, and also has made a large part of the money and credit of reserve institutions available for speculation only, thus encouraging "margin trading" during periods of low interest rates, unsettling the investment markets and endangering the whole system of commercial credits for the protection of which the reserves are created.

ADVANTAGES OF THE BOSTON CLEARING HOUSE.

IN a letter addressed to the editor of the Boston Herald, James C. Hallock of Boston pays this glowing tribute to the banks of that city:

Few realize the superiority of Boston banks in one particular. Here banks collect out of town checks through the clearing-house. That is not done in New York, Philadelphia, Chicago, etc. It is done in London and other English cities. In this respect Boston is ahead of every other large city in the United States.

The free zone of New England collections through the Boston Clearing-House is unique. No area of free collections exists around New York, Chicago, St. Louis and some other cities. The whole state of Massachusetts is in Boston's free zone. New York banks charge for the collection of items on all points in that state, outside of the city, except Albany and Troy. A New York bank will charge for the collection of checks on Yonkers, a suburb not much farther from Wall Street than Coney Island is, and the Yonkers bank will settle weekly like banks in the interior of the state.

Every bank in New England settles with the Boston Clearing-House on the day of receipt, and seven-eighths of them settle at par. Where else in America do only 79 banks out of 634 charge for remitting? Where elso do 555 banks located around an American city remit to its clearing-house at par and at sight? Nowhere else.

To find the nearest non-par bank about Boston you must travel 100 miles to Mystic, Conn.; 124 miles to Chester, Vt.; 140 to North Conway, N. H., and 383 miles to Houlton, Me. Along that line of nearly 500 miles from Houlton to Mystic there is not a single non-par bank in Maine, New Hampshire, Massachusetts, Rhode Island or Connecticut.

In the banking world Boston stands like the beautiful mountain of Japan, Fujiyama, a thing of perfect grace, to be seen far and wide, with the charming contour of its slopes only lost at great distance from the lofty peak.

The Boston system of direct out of town collections through the clearing-house and immediate returns proved a complete success during the financial panic of 1907, when every bank in New England paid the Boston Clearing-House, as usual, in Boston or New York drafts, an achievement without parallel elsewhere, placing Boston banks at the head of all in America.

During the panic one New England bank sent a Philadelphia draft which the manager returned, with notice that remittances must be made in Boston or New York exchange. The bank then remitted a Boston check, but the cashier wrote that at some future time the Clearing-House might have to take a Philadelphia draft or wait. The manager replied: "We shall not wait."

How different it was with collections on Pittsburg, Pa., for example. Items sent there were credited, but not paid; and the cashier would write they hoped to do business with the Boston bank in the future. Collections were treated as deposits, interest allowed on them, and some of the money has not yet been paid. To get money out of Philadelphia, Pittsburg or St. Louis $10 per thousand has been paid.

Though ahead of all American cities, Boston is behind London in one respect. The London bankers' clearing-house declines to handle items not paid in full. No non-par banks are tolerated there. They should not be here. This reform can easily be carried out. Congress has cut off all appropriations for the transportation of silver dollars. Bankers can no longer get them, free of charge, to annoy creditors who demand payment at their counters in person or through an express agent.

The sixtieth Congress, that stopped this free transportation of silver dollars, has also created a national monetary commission that will meet soon at Narragansett Pier. Would not the senators and representatives composing this commission cooperate with the business men of Boston in abolishing all the non-par points in New England? And what matter could more appropriately engage the attention of the Boston Merchants' Association?

A BANKER EASILY SATISFIED.

REFERRING to the address made by Charles E. Warren, president of the New York Bankers' Association, before that body, while assembled in convention at Thousand Islands, the Journal of Commerce and Commercial Bulletin has this to say:

Mr. Charles E. Warren, as president of the State Bankers' Association, expressed a too easy satisfaction with what Congress has done with the currency question. If we are to get any help for currency reform from our bankers they must abandon the habit of easy acquiescence in whatever is done, however unsound or inadequate. Mr. Warren expressed gratification that the Aldrich-Vreeland act permits the formation of currency associations that may "authorize the acceptance among other securities of commercial paper as collateral for emergency currency." That is a small concession that would be gratifying if it was likely

to prove of any practical effect, but there is nothing in it to extenuate the Congressional treatment of an important subject.

Speaking for the bankers the president of the association went a long step further and said: "We are gratified that the Currency Commission is a fact; and we must be satisfied that its members are solely taken from those in Congress." Why "must?" With the manner and motives of its make-up, it simply gives assurance that it will do its utmost to perpetuate an unsound and pernicious system and prevent real reform in our banking currency. Mr. Warren professes to think that it is even better that no members should have been taken from outside Congress, because it will now be "comparatively easy to reconcile the different theories advanced." Theories based upon diverse principles cannot be reconciled. One or the other must prevail and it will be that which the majority causes to prevail, for that is what it was chosen for. Mr. Warren says that it is "expected that a plan will be early reported that will meet with general approval," and thinks that "we may safely feel that the whole matter has taken a great step forward, for which we are profoundly thankful."

This shows a sad lack of appreciation of the real situation, and it is to be hoped that this complacent and easy-going view will not be accepted by the convention or many of its members. If we are to have our currency system placed upon a sound, stable and enduring basis, our business interests must be awake to the importance of the subject, show an intelligent understanding of it and use their influence in the direction of practical accomplishment.

GOVERNMENT REGULATION OF THE MONEY ISSUE.

IN an address delivered before the Georgia Bankers' Association upon the occasion of their last convention, Chas. H. Treat, Treasurer of the United States, said:

> I cannot understand the fierce denunciation of the National banking system in very intelligent quarters, but for the fact that it is so regulated by the Government that those who would have more freedom in banking, wish to get a larger control or monopoly of the money issue. What is the basis for the repeated statements that we have the worst currency system in the world? It cannot be for any lack of financial strength as to the payment of every paper dollar outstanding. No bill-holder has ever lost a dollar guaranteed by the United States; there has been no panic growing out of any weakness or failure to pay promptly any paper money so guaranteed. Some affirm that it is the need of more elasticity.

How many of those who engage in banking, we wonder, have denounced the present banking system, because they "wish to get a larger control or monopoly of the money issue"?

Surely those men who handle this enormous money issue may be allowed to express their opinions of it, without having only selfish motives ascribed to them?

There is food for reflection here.

CRITICISM OF LEGISLATION ENACTED AND PROPOSED.

ARTHUR REYNOLDS, president of the Des Moines National Bank of Des Moines, Iowa, a member of the currency commission of the American Bankers' Association, and one of the best known authorities on banking in this country, made a stirring address before the Washington Bankers' Association when that body was in session at North Yakima, Washington.

His analysis of the Aldrich-Vreeland Bill, now a law, was, that it is "one of the worst pieces of makeshift, crazy-quilt legislation ever put through an American Congress; utterly unscientific and not feasible."

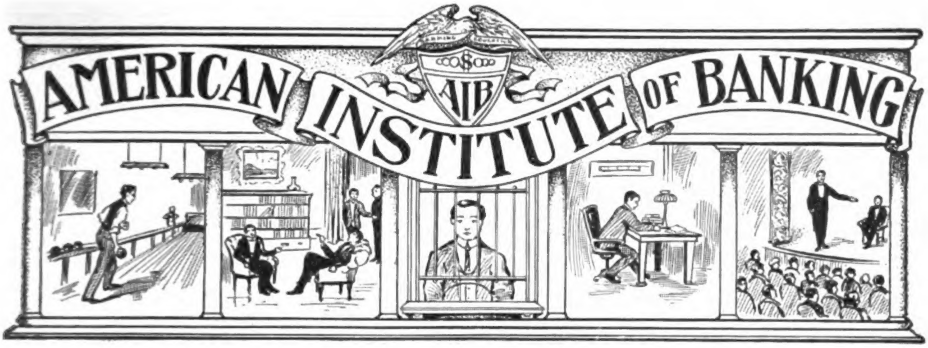
Touching upon the question of insuring bank deposits he continued:

> This whole question of insurance of bank deposits is up largely because of the fact that there have been losses to savings depositors. In my judgment it would be outside the province of the government to engage in the special protection of any class of business. For instance, when a man borrows $5,000 from my bank and turns around and deposits it or some part of it there, I do not believe he is entitled to any greater security or protection from the government for his deposit than I get for my loan. It is out of the question to insure commercial deposits.

"PUBLIC DEPOSITS" FOR FARM LOANS.

THE unique experiment of a state going into the farm loan business is proceeding in Oklahoma slowly. It is proposed to loan $5,000,000 of the school fund on farm lands at five per cent., or less than the commercial rate. Nearly $1,000,000 has already been so placed, and loans are being made at $30,000 a day. The difficulty of getting clear abstracts and the attempts to use political pull in order to secure precedence in getting the money have been encountered, but are being overcome.

The entire fund was deposited in the banks last fall, relieving the currency stringency. The state treasurer has drawn out practically all the deposits in national banks that refused to enter the guaranty deposit list, and they are to be refused further state deposits. When the bank funds are exhausted, it is proposed to sell $1,400,000 of state funding bonds to loan this sum on farms. Thousands of applications for loans are on file and it is doubtful if it will be possible to fill more than half the demand. Farmers want cheap money with which to improve their farms and to take up previous indebtedness.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

A GREAT SUCCESS.

The Sixth Annual Convention of the Institute at Providence a Large and Significant Meeting.

THIS is not a detailed, chronologically arranged account of the proceedings of the sixth annual convention of the American Institute of Banking, held at Providence, R. I., July 23-26 last.

Long ere this the full report of the convention has been published in the daily and weekly press and in the Institute's own "Bulletin."

What is here set down is only an aggregate of the fugitive impressions received by an outsider who attended that convention and enjoyed and profited by it just as much as if he had been a duly elected member of the Institute.

By the adoption of its new constitution at the Providence convention the American Institute of Banking achieved its independence, so to speak.

However, that independence did not have to be fought for. It was just the natural coming of age of a particularly strong and healthy young organization. The next step will be the admission of the Institute as a section of the Association.

The A. B. A. and the A. I. B.

Its parent body—the American Bankers' Association—is naturally proud of its lusty offspring. Col. Fred E. Farnsworth, secretary of the Association, was present at the convention. In an inspiring address he conveyed to the young bankers the pleasure and satisfaction of the Association at

COL. FRED. E. FARNSWORTH
Secretary of A. B. A. in Front of Convention Hall.

the progress the Institute had made in the few years of its history. He expressed the belief that the Institute is entirely worthy and capable of self government. On the whole, Colonel Farnsworth's talk breathed optimism and confidence. Needless to say, he received tremendous applause from his hearers.

Another optimistic spirit was George E. Allen, Educational Director of the Institute. Called to the platform at one of the sessions, he made a speech replete with confidence and encouragement. He said that there was no danger of the Institute becoming a one-man organization or a clique-controlled society, and that the good sense of the majority was always bound to rule.

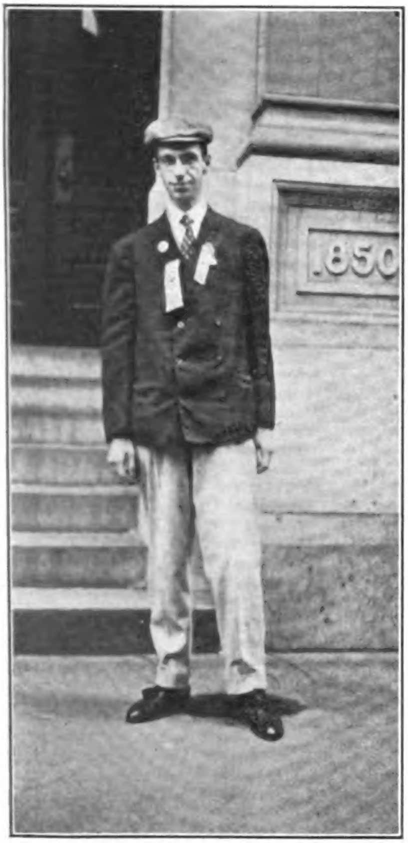
A Large Meeting.

This sixth annual convention was a wonderfully successful one in every way. The attendance was large, the spirit fine, the work done satisfactory, the social and recreative features extremely pleasant, while words fail to express adequately the cordiality and thoughtfulness of the hospitality of the members of the Providence Chapter and their friends who entertained the hundreds of delegates from all parts of the country.

THREE PROMINENT DELEGATES

Geo. A. Jackson, President Chicago Chapter, Chairman of Transportation Committee, and Member of New Executive Council; Alex. Wall, Chairman of Educational Committee, and Milwaukee Boomer; Roy L. Stone, of Milwaukee, Presiding Officer of the Convention and Former Vice-President.

The spirit of fraternity was very evident at this convention. In any consideration of the causes of the success of the American Institute of Banking the idea of brotherhood must not be overlooked. It is pleasant to see exemplified in an organization of young business men the same spirit which is the vital principle of every fraternal society. Associated together for the serious purpose indicated by the motto: "Banking Education," the members of the Institute do not forget that "a man's a man for a' that." So that when a delegate from San Francisco or Seattle met a delegate from New York or Philadelphia there was something more in the handclasp than just a perfunctory greeting.



LOUIS N. ROE
Chairman Press Committee, N. Y. Chapter.

The Fraternal Spirit.

A practical working out of this idea was seen in the contest over the choice of the next convention city. Milwaukee made a hard and picturesque fight for it, but as soon as it was announced that Seattle was successful, the Milwaukee delegation acquiesced gracefully and Spokesman Wall promptly put in Milwaukee's bid for the 1910 convention, and there was no hard feeling anywhere.

Seattle, 1909.

Milwaukee was systematic and aggressive in its campaign for next year's convention, but the logic of events was against her this time, so that her "Bright spot" buttons that "chirped for Milwaukee, 1909," and her fake band that impressed upon everybody the fact that "We're here because we're here," availed nothing against the fact that there is to be a big fair at Seattle next year on account of which the railroads will cut trans-continental fares in half, and that it was therefore practically "now or never" for a convention on the Pacific slope.

E. A. HAVENS
Chairman Local Committee, in the Convention Hall.

The enforced absence of President A. Waller Morton was greatly regretted. He was ill at his home in Baltimore. Vice-

President R. L. Stone acted as presiding officer in an entirely satisfactory manner.

The program of the convention was an excellent one and was carried out practically as planned. Prof. J. C. Monaghan's address on "America and Her Young Men" was eloquent and instructive—a fit opening for the earnest work of the convention.

Currency Problems.

Naturally the panic of 1907 and the resultant legislative efforts to improve the currency received a good deal of attention, and phases of this subject formed the

THREE MEMBERS OF NEW EXECUTIVE COUNCIL, REPRESENTING "THE FELLOWS."

At the left—Brandt C. Downey, The American National Bank, Indianapolis.
At the right—D. C. Wills, Cashier Diamond National Bank, Pittsburgh.
Seated—Alfred M. Barrett, Assistant Secretary, Guardian Trust Co., New York.

theme of many of the papers and addresses as well as the question for the Pittsburgh-Chicago debate. Henry Clews of New York gave a comprehensive review of the financial situation. E. D. Hulbert of Chicago spoke on "Our Banking System." In addition, chapter members read papers on financial subjects, as follows: "Financial Panics," R. R. Clabaugh, of St. Louis; "Treasury Issue vs. Bank Issue," Newton

EDUCATIONAL DIRECTOR GEO. E. ALLEN
In Front of the Narragansett.

D. Alling of New York; "Panic Panaceas," by E. P. Vanderburg of Detroit; "The Fowler Bill," by Edmund S. Wolfe, of Washington.

A. I. B. PROMOTIONS.

EDGAR N. JOHNSON, formerly vice-president of the Chicago Chapter, has been elected cashier of the First National Bank of Mishawaka, Indiana, and treasurer of the First Trust and Savings Company at the same location.

Victor A. Lersner, ex-president of Brooklyn Chapter, has been promoted from new account teller to the position of assistant cashier.

O. R. Wolf, lately assistant cashier of the Dime Deposit and Discount Bank, Scranton, Pa., has been elected cashier of the Dime Deposit Bank of Wilkes-Barre, Pa., which has just been organized.

Drawn for THE BANKERS MAGAZINE by Raymond R. Olson.

PITTSBURGH WINS DEBATE.

The Smoky City Beats the Windy City on the Proposition that New York Needs Larger Reserves.

THE inter-city debate was one of the most interesting features of the convention program. The question was: "Resolved, That all banking institutions in New York city be required to keep a larger cash reserve." The affirmative was upheld by Pittsburgh, represented by W. G. Gundelfinger, J. E. Rovensky and George H. Rankin. Chicago supported the negative with Charles W. Allison, C. R. Wheeler and Benjamin B. Bellows. There was some genuine oratory and a good deal of sound argument on both sides. The judges, ex-Lieutenant-Governor Frederick H. Jackson, Horatio A. Hunt and Lewis A. Waterman, decided in favor of the affirmative.

Extracts from the speeches of all the debaters are as follows:

AFFIRMATIVE.

Seeking Government Aid.

George Rankin, Jr.:

By a larger cash reserve we mean larger than is required by law at the present time, because it is the reserve that protects the depositor and constitutes the basis upon which rests the entire credit structure of the country. It means little to us if certain banking institutions do maintain comparatively a large reserve, the point we wish to emphasize is that they are not required by law to maintain a sufficiently large reserve; therefore if it be shown that certain banking institutions do find it advisable to maintain such reserves, the fact proves that we are right in our assertion that the present reserve requirements are not sufficient. The actions of the New York city bankers from time to time is proof that the present cash reserve requirements are inadequate, because at the first appearance of withdrawals, they call upon the Secretary of the Treasury to bolster up their institutions with government money. The Secretary of the Treasury's report for 1907 and the Comptroller's reports show year after year the vast sums of cash which are diverted into New York city for this very purpose.

THE PITTSBURGH TEAM

George Rankin. J. E. Rovensky. W. G. Gundelfinger.

A Hybrid System.

W. G. Gundelfinger:

The greatest menace to the integrity of our financial system is the weakness of our hybrid system of banking in New York city which permits all varieties of banking institutions to accept deposit obligations without making adequate provision for their payment when demanded. As New York city is unquestionably the financial distributing center of the country, and its banking

institutions engage to carry reserve deposits of the banking institutions throughout the country which are payable in cash on demand, it is plainly seen that they should be required to carry a larger cash reserve than that which is required to meet the demands of ordinary banking institutions.

For the clearer comprehension of this point we will show the distinction between deposits due banks and those due individuals. Individual deposits consist of the margins of commercial borrowers, and all accounts of individuals upon which they draw their checks with regularity, obeying the law of averages, thereby minimizing the use of cash. Deposits due banks on the other hand are the funds which each separate institution expects to use to meet the demands of its depositors. In other words, their cash reserve immediately available. Experience has taught us that these deposits are generally withdrawn in legal tenders and a concerted demand for them is always made in the autumn of the year. The country banks must meet the demands of their depositors and in order to do this, they weaken the reserves of New York city institutions by demanding their reserve deposits with them in cash. This is the greatest disturbing element in the banking system as it immediately causes a tight money market with exorbitant interest rates.

Ought To Be Thirty Per Cent.

J. E. Rovensky:

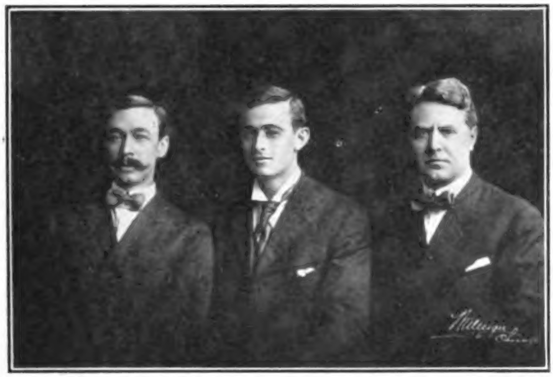
We do not care to name any certain percentage of reserves as being adequate, the degree of increase not being within the province of this debate, but in this connection permit me to quote the opinion of a leading New York banker, Mr. Henry Clews, certainly an excellent authority on the subject of reserves and their connection with panics.

In an address before Pittsburg Chapter, Feb. 25, 1908, he said: "The banks are naturally desirous of making money by keeping their loans and discounts at high figures so they are apt to look upon their reserves above the legal limit as money wasted. The legal limit, however, is too low in the Central reserve cities. My remedy is to raise it. It ought, in my opinion, to be at least 30 per cent. The banks would lose a little in profits by this change, but they would gain in safety and reduce our liability to panics."

In conclusion we wish to point out that according to the question submitted, we are not obliged to prove that inadequate New York reserves are the sole deficiency of our banking system, nor that larger reserves would prove an unfailing remedy for all the economic ills of this country; if we have shown that larger reserve requirements in New York city would in any degree be beneficial, we have sustained our point.

We have shown that the reserves of New York, which form the basis of our financial system are insufficient to prevent undue inflation of credit; that this inflation has resulted and may result again in a panic of enormous proportions—and are these conditions to remain unimproved?

With this great and glorious land of ours, leading the world in every branch of progress, is its financial system to remain a by-word? No! Let us strengthen the basis on which our system is founded, and backed by a country of unbounded natural resources, we can challenge the world for financial supremacy!



THE CHICAGO TEAM

C. R. Wheeler. B. B. Bellows. C. W. Alison.

NEGATIVE.

Crippled Working Capital.

Charles W. Alison:

It is plain there would be great loss without any compensation whatever in such a change. We need no further proof of this than that for over forty years the national bank reserves have proved satisfactory. The Bank of England carries a higher reserve, but it does not pay interest to its depositors. Under these conditions only could our New York banks maintain a higher reserve, but as I have stated, everybody would lose and not a point would be gained if our working capital were crippled by being further transformed by this resolution, into excessive reserves and locked up in the vaults of the New York banks.

Under present improved conditions toward safety, the tendency of reserves should be lower. The banks now generally maintain their own audit department in charge of a trained banker who with competent assistants devote their entire time in guarding their banks against loss through error or dishonesty. Again I repeat the cost of higher reserves would be worse than absurd. The protection just described being greater

than any percentage of reserves, and the possibility of loss through bad investments or any other source is reduced to a minimum.

Better Examination.

C. R. Wheeler:

Instead of higher reserves in New York, we advocate, as measures of cure and prevention of the evils complained of, the following, some of which have already been carried out by the banks themselves.

More comprehensive and frequent examinations by clearing-house committee of the loans of the various banks.

More frequently published statements of all banks and education of the public in banking problems so that they will be able to discriminate between banks.

Require greater liability and better service from directors. Make it incumbent upon them to know the condition and policy of the institution of which they are directors and prescribe a penalty for failure to do so.

The rigid examinations of the clearing-house committee should discover the operations of the speculative banker or bank director in time to check them before they have gone too far. The speculator must be driven from the banking field. The Napoleon of finance who uses his bank's funds to bolster up or exploit his mushroom schemes, composed of wind and water, must go, and in his place must be elected the man of special training in the profession. The man who has been taught, to think as a banker, not as a speculator. The man of the highest type of integrity whose watchword is duty, whose pride is worth, and whose standard is truth.

Reserve Not Flexible.

Benjamin B. Bellows:

The trouble with us is not having this great amount of gold where it can be used for meeting the highest requirements of business activity. Also we have the ridiculous illustration of having over three times as much gold as the Bank of England and yet drawing upon it for gold at the time of the panic. What is the reason? It is because our reserve was not flexible and could not be used at the time when most needed. What is the difference between the Bank of England and the banks of New York city? The Bank of England is an associated, a concentrated reserve, while the bank of New York city is a scattered, segregated reserve amongst the many banks, and so long as men are men, and so long as this reserve is segregated among so many, it will be used for the selfish purposes of the individual bank. What we need is a great central bank, like the Central Bank of England, an association of all the banks, that the reserve may be used for the general purpose of all the banks. But what is the great evil of our banking and currency system? The gentlemen of the affirmative have pointed it out to you. It is the disposing and redisposing of all banks of their reserves. I have read considerably on panic panaceas, and I have seen men that did question this one of reserves, but I have been able to find no one that spoke of higher reserves for New York city.

RECREATION FEATURES.

The Trip to Newport, the Clambake, the Trolley Ride and the Dance.

UNUSUAL opportunities for diverting outdoor entertainment and unbounded hospitality at Providence combined to make the recreation features of the convention a great success.

The Newport trip, the first afternoon of the convention, will live long in the memory of everyone that took it. The weather was ideal for such an excursion and everybody and his friend went. Sprinkled through the crowds on the decks of the steamer "Warwick" were enough of the members of the Providence Chapter and other local representatives to serve as guides to explain and describe the sights.

Approaching Newport, the party saw the U. S. S. "Mississippi," some torpedo boats, the old training ship "Constellation," and the buildings of the U. S. War College. Upon landing, tally-hos, carryalls and other carriages were found waiting for the ten-mile drive through and about Newport. The visitors were duly impressed with the beauty and magnificence of everything in this fairyland where nature and man's handiwork unite to form a city of unsurpassed loveliness. One delegate observed that the landscape gardening in places out-natured Nature.

Perhaps the most interesting object seen was the famous Old Mill in the park—probably the oldest building on the continent

Part of the Chicago "Bunch."

Embarking for the Newport Trip.

and not unlikely a relic of the Norsemen who may have discovered America a thousand years ago. Wonder was expressed that none of the financial institutions of Newport or Providence had adopted this splendid old relic as an emblem or trade-mark.

On the sail homeward a collation was served and the time till 10.30 o'clock was spent by the various delegations in getting acquainted with each other and in singing. The New York chapter was well represented and took the lead in the singing.

The next afternoon at five o'clock the delegates and guests, both men and women, took another steamer for Field's Point, a short distance down the bay, where they enjoyed a typical Rhode Island clambake.

For most of the delegates this was a first introduction to the festive clam. It was called a clambake, and while baked clams formed the *piece de resistance* of the repast, there were other dishes, including—chowder, clam fritters, sweet potatoes, fried eels, baked fish, lobster, watermelon and Indian pudding. About 500 persons sat down to this jolly meal and all were served with neatness and dispatch, because the Field's Point people are used to handling thousands of hungry clam-eaters every week.

The party returned to the city at seven p. m., and took special open trolley cars

The Baltimore Delegates Aboard the "Warwick."

The Ladies Leaving for their Outing.

Mrs. F. E. Farnsworth, of New York, and Mrs. E. T. S. Lewis, of Philadelphia, on the "Warwick."

through Providence to Rocky Point and back to the beautiful Roger Williams Park, where there was a band concert and, later in the evening, dancing in the Casino.

A drag ride about Providence and a theatre party were special entertainment features provided for the visiting ladies.

The way all of these entertainment features were conducted reflected much credit upon the local arrangements committee.

THE BANQUET.

THE headquarters of the convention was at the Narragansett Hotel, but the banquet was held at the Churchill. The affair was very pleasant. Rathbone Gardner, president of the Union Trust Company of Providence, acted as toastmaster. Those who responded to toasts were: John T. P. Knight, secretary-treasurer of the Canadian Bankers' Association; ex-Governor George H. Utter; O. H. Cheney, Deputy Superintendent of Banks of New York; and W. A. Prendergast of Brooklyn. The newly-elected president of the Associated Chapters, Franklin L. Johnson, of St. Louis, and E. A. Havens, chairman of the Providence committee of arrangements, likewise spoke, and there was some loud cheering as a sign of appreciation from the delegates for the kindness of their hosts.

THE NEW OFFICERS.

THE new officers elected at the convention are: President, Franklin L. Johnson, St. Louis; vice-president, Samuel J. Henry, of Washington; secretary, W. E. Bullard, Detroit; treasurer, E. A. Fitzpatrick, Scranton. Executive Council: President Franklin L. Johnson and Samuel J. Henry, ex-officio. Elected by Fellows—A. M. Barrett, New York, and B. C. Downey, Indianapolis, three years; D. C. Wills, Pittsburgh, and Ralph S. Wilson, Chicago, two years; J. H. Puelicher, Milwaukee, and G. H. Richards, Minneapolis, one year.

Elected by delegates—Edward A. Havens, Providence, and George A. Jackson, Chicago, three years; A. Waller Morton, Baltimore, and Frank M. Polliard, Pittsburg, two years; W. Irving Dey, New York, Leroy H. Civille, Los Angeles, and Clay Herrick, Cleveland, one year.

FRANKLIN L. JOHNSON.

Newly Elected President of the Associated Chapters.

MR. JOHNSON was born in Decatur, Illinois, where his father, Milton Johnson, has been engaged in the banking business for the past thirty-seven years, being now president of the Citizens National Bank of that city. The subject of the sketch attended the grammar and high schools at Decatur, and college at the Northwestern University, Evanston, Illinois, receiving his degree, B.S. (Bachelor of Science) in 1894. In college he was a member of Beta Theta Pi and at graduation was elected to Phi Beta Kappa, the honorary scholarship fraternity. His major work in college was in economics and banking, and in the year of graduation he won the N. W. Harris prize for the best thesis on the subject of banking. His first banking experience was in the private bank of J. Millikin & Company, Decatur, Illinois, where he served afternoons while in high school.

In the fall of 1894, Mr. Johnson went to St. Louis and entered the National Bank of Commerce, where he served in various capacities for thirteen years. Last year he entered the service of the Mercantile Trust Company as traveling representative, which position he now occupies.

Mr. Johnson has been interested in the work of the American Institute of Banking since its organization, and has served the St. Louis Chapter as Vice-President, President and Chairman of its Educational Committee. At the annual meeting of the Institute at Hot Springs, Va., in 1907, he was elected Trustee. Mr. Johnson has attended all of the conventions of the Institute.

FRANKLIN L. JOHNSON.
Newly Elected President of the Associated Chapters.

DIRECTORS' DUTIES.

PART of a paper read by R. R. Clabaugh of St. Louis at the Providence convention is as follows:

It would seem that honest, conscientious men at the head of affairs is the solution. Of course that is the solution of every public question. The motto of one of our political organizations in St. Louis is "Principles; Not men." Well now let's see somebody do something for the improvement of our business morale with principles without men.

The laws on the subject under discussion are not new. The liability of directors of corporations for violations of their duties or breaches of trust committed to them is a matter of principle which has existed since the inception of the corporation idea, independently of any statute. Is not the very fact, therefore, that we find ourselves in the midst of a great agitation on this question proof of the fact that we need first men, and that then the principles will take care of themselves?

Our organization is behind a movement which should solve one phase of the question, namely efficiency. Let us hope that, with the development of our intellects, we shall acquire the disposition, the inspiration and the ability to grapple with its other phases.

OUR BANKING SYSTEM.

ONE of the chief addresses at the convention was that of E. D. Hulbert, vice-president of the Merchants Loan & Trust Company of Chicago. In his discussion of our banking system he took a radically different stand than that of many well-known bankers in his own city and elsewhere.

Mr. Hulbert said in part:

These two schemes for the prevention of panics—the guaranteeing of deposits, and the use of assets currency—are both fraudulent in their nature. Furthermore, laying aside the question of honesty, it would be an utter impossibility to get together a guaranty fund large enough to insure the prompt payment of the deposits of insolvent banks.

What scheme that anybody has proposed would have met the condition last fall when banks in New York city alone closed with deposits aggregating about one hundred millions? Who or what could have taken care of any such sum in cash? The government certainly couldn't. It didn't have ten millions of available cash at that time. No association of banks that anybody has proposed could have done it without weakening themselves to a dangerous extent. It won't do to say that if the deposits of these banks had been guaranteed they would not have closed. However disagreeable it may be to say it, the plain facts are that these banks closed because they were insolvent through bad management. The short experience of Oklahoma has already demonstrated what everybody ought to know, and that is that when banks become insolvent they must close their doors, whether their deposits are guaranteed or not. In Chicago three years ago all the banks of the city united to guarantee the deposits of the Walsh banks. They had to put up about fourteen millions to do it. It so happened that the troubles of these banks were purely of their own making and not in any way the result of conditions affecting other banks. Had it been otherwise, the guaranty could not have been undertaken. People who figure on these schemes take the statistics and say that there is only a small percentage of loss to depositors in failed banks, therefore a small assessment will provide an ample fund to take care of it. They overlook the important fact that these statistics show only what the ultimate loss was after liquidation covering years of time. To make any such guarantee scheme adequate, a fund must be provided which would cover not five, ten, or twenty, but one hundred per cent. loss on the deposits of every bank that fails.

FOR BETTER EXAMINATIONS.

ONE of the resolutions adopted by the convention was the following, introduced by Gray Warren of the Minneapolis Chapter:

WHEREAS, It has long been apparent to bankers that the present system of national bank examinations is faulty, tending to produce superficial and inefficient bank examinations, and

WHEREAS, The banking business is based upon the confidence the people generaly have in banking institutions, and the present method of examinations weakens this confidence, and

WHEREAS, We, as bank men and members of the A. I. B. are, and should be, the most deeply interested in seeing corrected any method that reflects upon the business of banking,

THEREFORE, BE IT RESOLVED, That the American Institute of Banking favors the following amendments to the National Bank Act:

1. The payment of fees to bank examiners in compensation for examination of national banks shall be abolished, and in lieu thereof the payment of salaries, commensurate with the abilities required of said examiners, and the duties they are called upon to perform.
2. The number of National Bank Examiners shall be increased to such an extent as may be necessary to assure a thorough and competent examination of every national bank twice a year.
3. No person shall be appointed a National Bank Examiner until he has passed a thorough and rigid examination, establishing his competency to perform the duties required of such office.
4. After an examiner has been appointed, he shall not be removed from office except for cause, and

BE IT FURTHER RESOLVED, That the recorder of the Associated Chapters be instructed to forward a copy of this resolution to the National Monetary Commission at Washington, D. C.

RICHMOND'S REVIEW.

FOLLOWING a season of ten months' activities, Richmond Chapter has suspended for the summer and will commence next season's work early in September.

Looking back over the field of our efforts, we cannot but feel that we have accomplished a great deal of good, (although we have suffered a slight loss in membership), and the character and ability of the speakers who have addressed the chapter was of the very highest order, the subjects mainly of importance to and readily appreciated by the class of citizenship represented in the membership of the Institute.

Following are the names of some of the gentlemen who spoke before the chapter and their subjects: A. B. Clarke, ex-president Old Dominion Iron & Nail Works, lecture on London with stereopticon views; Chas. A. Peple, cashier Bank of Commerce

and Trusts, "Canadian Currency;" W. M. Addison, cashier National Bank of Virginia, address, "Urging chapter members to cultivate the habit of thinking and speaking before an audience;" Geo. E. Allen, "Lessons furnished by the Panic;" Geo. Bryan, attorney of the Virginia Bankers' Association, "The Law Regarding Notaries Public;" Geo. J. Seay, of Scott and Stringfellow, "Pending Currency Legislation," and the Hon. Chas. N. Fowler on the "Currency Question."

The address of Congressman Fowler was delivered on March 27 at the Chapter banquet. A number of bank directors and other prominent business men of Richmond and the state at large were present on this occasion, and, whatever may have been the opinion beforehand, the majority, after hearing a most clear and convincing speech on this dry subject, evidently left with the conviction that a sound assets currency was what the country was in need of. Shortly afterward, the Chamber of Commerce and other business organizations passed resolutions severely condemning the Aldrich Bill and endorsing the Fowler Bill with the exception of the section which provided for guarantee of deposits. By being the means of bringing the business men of Richmond into close touch with so well-recognized an authority on this important question, we believe that we have benefited the community thereby and, at the same time, brought the chapter into wider publicity.

The other features of our meetings have consisted mainly of two debates and a number of papers by individual members, with social features interspersed during the season.

The social side, as a rule, attracts a large attendance, and we are particularly proud of the solo work of our ex-president, G. Jeter Jones, a vocal artist of national reputation, second only to Caruso.

A word now as to the future.

Past experience has demonstrated that Chapter members derive the greatest benefit from the Institute by active participation in its meetings. Debates particularly have proved not only attractive to the audience, but instructive to the participants, and the spirit of contest infused into the speakers cannot but result in demonstrating the extent of each man's knowledge and his ability to impart it clearly and convincingly, thus putting him on his mettle. Papers and addresses on banking subjects are also an excellent feature.

Readily appreciating the necessity of outlining our plans for the year in such a way as to induce chapter members to take a more active part, the new board of governors, in an enthusiastic meeting in the latter part of June, discussed a program for the coming season and decided to inaugurate a campaign at once to raise a sufficient amount of funds to establish permanent quarters and purchase a library. A contract has been made for a moonlight excursion down the James River to historic Dutch Gap on August 20 and the committee in charge will assuredly show good results, both financially and socially, if hard work can accomplish anything.

Oakland Chapter has sent us a challenge to hold a contest on the adding machine in an effort on their part to break the record held by our champion lister, G. H. Bates. We have no doubt of Mr. Bates' ability to hold his own, but we realize from the results accomplished by our sister chapter during her short life that the very best efforts of the Richmond boys must be put forth against so strong an opponent. No date has been set for the contest, but it will probably be held near the beginning of next season.

Very truly yours,
H. G. PROCTOR, *Secretary.*

RICHMOND, VA., July 21, 1908.

INVESTIGATIONS BY COMMITTEES OF CONGRESS.

IN its July issue "Putnam's and the Reader" says:

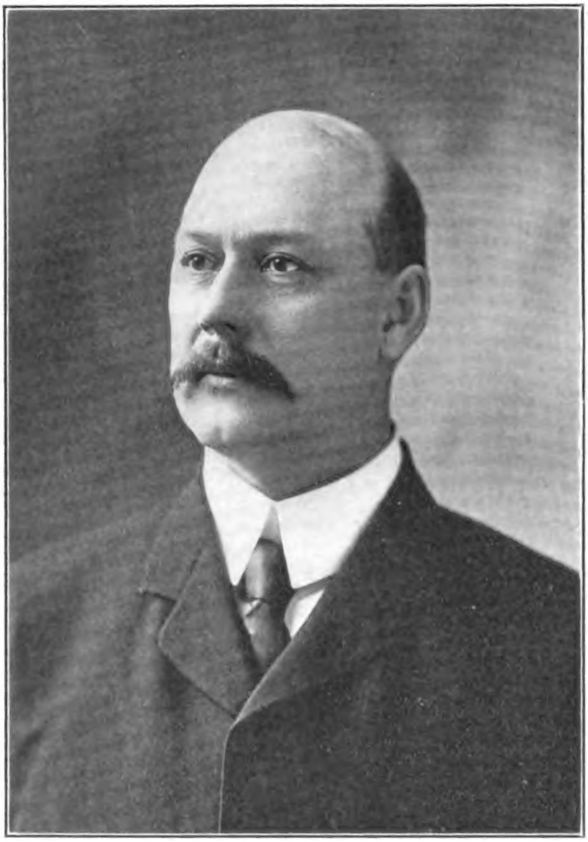
> Instead of passing the White Mountain and Appalachian forest reserve bill, which the Senate approved in May, the House of Representatives appointed a committee of investigation. There is great doubt in its mind as to the connection between an abundant water supply at the head of a river and the navigability of the river's lower reaches, and this doubt has got to be removed. While the committee is at work, it might determine what connection, if any, exists between rainfalls and freshets; and whether streams have ever been known to overflow their banks when sudden thaws occurred in springtime. It would be interesting to know, too, whether water is wet and whether it runs down hill; and whether the woodpulp makers are going to stop deforesting the White Mountains and Appalachians while the Congressional committee is ascertaining the elementary facts about the nature of water.

This is about on a par with Senator Aldrich's Monetary Commission which will doubtless try to find out if a bond-secured currency is elastic, and whether the policy of the Treasury in aiding the money market helps Wall Street, also if it is really necessary for banks manufacturing credits to have any capital or to keep on hand any reserves.

TWO PROMINENT MEMBERS OF THE MONETARY COMMISSION.

WHILE those who hold advanced views regarding currency reform have made some criticism of the personnel of the National Monetary Commission appointed at the last session of Congress, it is recognized that the Commission includes men who have shown ability in dealing with banking and currency problems. Prominent among these are Mr. Weeks and Mr. Burton, both widely known for their work in Congress.

Hon. John Wingate Weeks, of West Newton, Mass., was born in Lancaster, New Hampshire, April 11, 1860. He was appointed to the United States Naval Academy in 1877, graduated from there in 1881, and remained in the service until 1883, after which time he was in business in Florida for about five years, coming to Boston in August, 1888. He became president of the Massachusetts National Bank, for the purpose of reorganizing it, and for three years he held that office. Mr. Weeks is now vice-president of the First National Bank, of Boston, into which the Massachusetts National Bank was merged; and also president of the Newtonville Trust Company, a suburban company in Newton, Mass.



Hon. John Wingate Weeks.

He was elected to Congress in 1904, and re-elected in 1906; presided over the Massachusetts State Convention as permanent chairman in 1905, and is a member of the Executive Committee of the National Congressional Committee. In Congress he has served on Committee on Banking and Currency, Committee on Agriculture, and Committee on Expenditures in the State Department, being chairman of the last named committee and is a member of several clubs and several patriotic societies, including the Society of the Cincinnati.

Hon. Theodore E. Burton.

Hon. Theodore E. Burton was born at Jefferson, Ashtabula County, Ohio, December 20, 1851; studied at Grand River Institute, Austinburg, Ohio; at Iowa College, Grinnell, Iowa, and at Oberlin College, from which last institution he graduated in 1872, and began the practice of law at Cleveland in 1875. He is author of a work on "Financial Crises and Periods of Commercial Depression," published in 1902, and a biography of John Sherman, published in 1906. He was a member of the 51st Congress but was defeated in 1890; was elected to the 54th, 55th, 56th, 57th, 58th, 59th and 60th Congresses.

Mr. Burton is a Republican, and is prominent in the work of the House. He resides at Cleveland, Ohio. He is the author of a well-known work on crises and depressions, and his addresses in the House, when banking and financial questions have been up for consideration, have attracted much attention.

The Ohio Bankers at Alexandria Bay.

BUSINESS AND PLEASURE.

The New York and Ohio Bankers Combined Them at the Thousand Islands Last Month.—The Michigan Bankers Take a Boat Ride.

> Gentlemen, you cannot do better than to take an annual outing like this. A quaint old philosopher has well said, that when you have a day to be idle be idle for a day. That, as I understand it, is the admonition you follow; you are here to be idle for a day. It is very pleasant, and I believe it is very profitable to you. Coming here away from business you have a new point of view. You go along through these woods, you sail over these waters, and the soul as well as the body is refreshed, and the soul recruited says to itself: After all, is what we have been doing worth while?—William H. McElroy at New York Bankers' Association convention.

IF there were no summer resorts there would be no midsummer bankers' conventions. At least these gatherings would not be as popular as they are. "Back to Nature" strikes a responsive chord in every bank man's heart these sweltering days, and when committees of arrangement get up very attractive programmes for annual conventions and describe in alluring terms the entertainments and outing features, the call is a hard one to resist.

The annual conventions of both the New York and the Ohio Bankers' Associations were held at the Thousand Islands this year—the former at Frontenac on July 9 and 10, and the latter at Alexandria Bay on July 8, 9 and 10.

At both of these gatherings there was more or less serious discussion of topics of timely interest to bankers. Reports were received, able papers read, eloquent addresses delivered, resolutions passed and officers elected.

Delightful Recreations.

But there was also a great deal of pleasant social intercourse, and the recreative features were highly delightful, as might be expected at a place where are found to such a high degree natural beauty, healthfulness of atmosphere and complete provision for the comfort and convenience of visitors.

The attendance at both these state conventions was large. The nearness of the two gatherings, both in time and place, made possible a pleasant interchange of visits between representatives of the two associations.

Moreover, both meetings were attended by a number of representative bankers from other states who were there to kill several birds with one stone, so to speak—renewing old acquaintances, making new ones, listening to discussions and, last but not least, discovering and enjoying the peculiar, and in their way unequalled, delights of the Thousand Islands.

Most of the New York city delegates traveled on a special train over the New York Central Railroad leaving New York Wednesday evening and arriving at Clayton early in the morning—just in time for a superb before-breakfast boat ride down the river to Frontenac.

Able Discussions.

As far as the serious business of the convention is concerned, it need only be said that the reports of officers and group chairmen showed very satisfactory conditions to exist, the membership of the association now being 536, and the balance in the treasury the largest ever. The spirit of the whole meeting was optimistic. Naturally the troublous times of last fall were referred to occasionally and the emergency currency legislation came in for some discussion but the prevailing tone of the speeches was one of confidence in better days immediately at hand in the business world.

President Charles Elliott Warren in his opening address called on bankers to help restore railroad credit and expressed the hope that an asset currency might be secured.

Mr. Alexander Gilbert, president of the New York Clearing-House Association, gave a masterly address on the relations of banking and general business.

An inspiring address was that on "The Banker and Class Legislation," by James A. Emory of New York, while the paper on "Commercial Credits" by Joseph T. Talbert, vice-president of the Commercial National Bank of Chicago, was one of the most timely and practical presented.

Officers were elected for the coming year as follows:

President, Edward S. Tefft, cashier First National Bank of Syracuse.

Vice-President, Frederick R. Lyford, president First National Bank of Waverly.

Treasurer, Delmar Runkle, cashier Peoples' National Bank, Hoosick Falls.

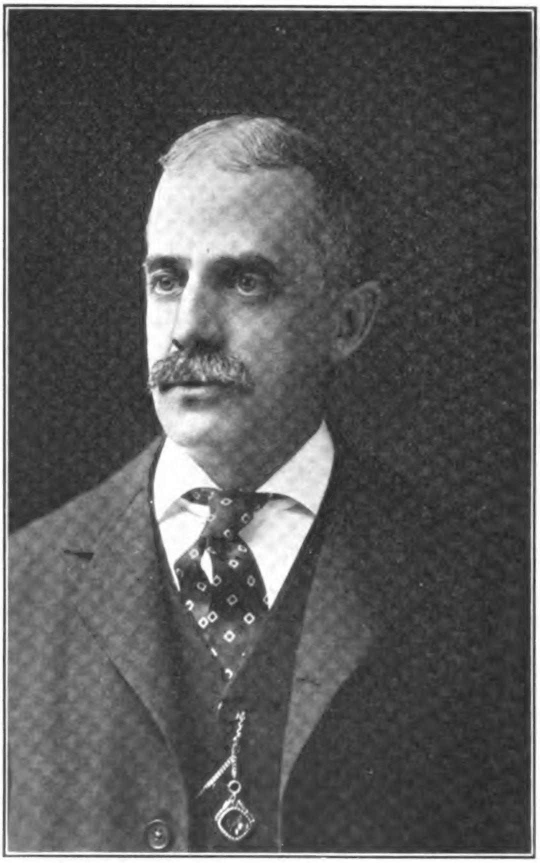
Secretary, Edward O. Eldredge, of New York city.

Assistant Secretary, William J. Henry, of New York city.

On the first afternoon the delegates with their women friends and other guests en-

joyed a three-hour boat ride on the steamer "St. Lawrence" through the wildest part of the Canadian islands between Clayton and Gananoque. The banquet occurred that evening in the spacious and beautiful dining room of the Frontenac Hotel. President Warren was toastmaster and those who made responses were: Alexander Gilbert, Job E. Hedges, W. H. McElroy, James A. Emory and Hon. Clark Williams, Superintendent of Banks.

The second day's entertainment consisted of golf, tennis, boating and fishing, according to the individual inclinations of the delegates.



E. S. TEFFT

Cashier First National Bank, Syracuse, N. Y.; Newly-Elected President of the New York State Bankers' Association.

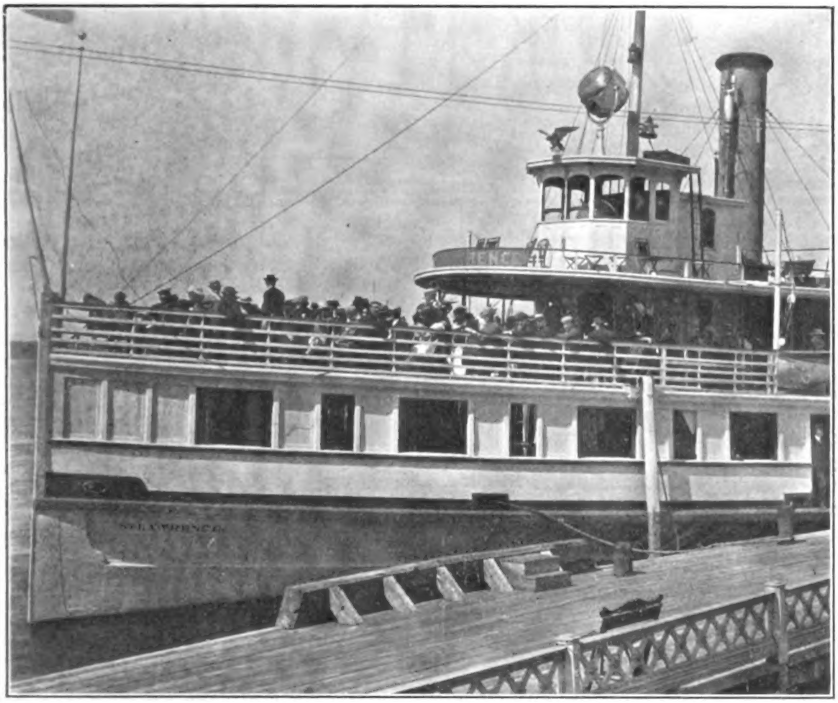
The Ohio Meeting.

The Ohio bankers met at the Thousand Island House, Alexandria Bay. The association's membership of 726 banks was well represented. As its sessions lasted longer than those of the New York bankers, there was opportunity for more discussion of matters considered. Reports of officers showed satisfactory conditions. The new currency law received a good deal of attention. President E. W. Bixby advised bankers to study it carefully.

Joseph T. Talbert came down from the meeting of the New York bankers to talk to the Ohioians on the new currency law.

E. L. Coen of Vermilion spoke on the Ohio depository laws and Lewis E. Pierson, chairman of the Executive Council of the American Bankers' Association spoke on the work of that organization.

One of the entertainment features of the convention was a searchlight excursion through the islands Wednesday.



New York Bankers Starting on Trip Among the Islands.

Officers for the ensuing year were elected as follows:

President, A. E. Rice, president of the Croghan Bank and Savings Co., of Fremont.

Vice-President, W. F. Hoffman, president of the Commercial National Bank of Columbus.

Secretary, S. B. Rankin, treasurer of the Bank of South Charleston.

Treasurer, W. J. Winters, assistant cashier of the Commercial National Bank, of Coshocton.

E. W. Bixby, of Ironton, and F. J. Woodworth of Cleveland, were elected to represent the association as members of the Executive Committee of the American Bankers' Association.

The Michigan Bankers.

During the week of July 6th, the Michigan Bankers Association held its twenty-second annual convention, an interesting feature of it being the fact that part of the sessions were held on board a lake steamer en route from Detroit to Marquette and back again. Fine musical entertainments were also provided. On one evening the delegates and their wives enjoyed a dance at the Grand Hotel Pavilion on Mackinac Island. There were important papers and discussions at the convention. Officers were elected as follows: President, Leon Chichester, president of the First State Bank, of Petosky; first vice-president, H. G. Barnum, president of the First National Exchange Bank, of Port Huron; second vice-president, Emory W. Clark, vice-president of the First National Bank, of Detroit; treasurer, Fred. S. Case, vice-president of the Marquette County Savings Bank, of Marquette; and secretary, Hal H. Smith, of Detroit.

A NEW POSTAL CARD CHECK SYSTEM.

FROM Germany comes the news of a new and practical check system, which was originated in Munich and has quickly spread over Germany. The checks are printed in card form and can be sent as postal cards at a cheaper rate than a letter would require. The publicity of such checks makes it necessary to use them for account only, not for cash. The face of these postal cards is divided in halves, one of which is used for the address, the other for indorsements.

BOOK REVIEWS

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

THE MAKING OF PERSONALITY. By Bliss Carman. Boston: L. C. Page & Co.

Things that are of the essentials of a noble and beautiful life are here charmingly discussed. Body, mind and soul are all considered, and the attributes of a well rounded personality strikingly presented.

This is a book that may be read with pleasure and its suggestions followed with profit to the individual and to society.

+

THE BUILDERS OF FLORENCE. By J. Wood Brown, M.A.; with seventy-four illustrations by Herbert Railton. New York: E. P. Dutton & Co.

An elegant quarto volume, treating of some of the notable buildings of Florence and the interesting history interwoven with them. To those who admire beautiful architecture—and who does not?—this book will prove a rare pleasure.

+

THE CALL OF THE SOUTH. By Robert Lee Durham. Boston: L. C. Page & Co.

The race problem and the danger to society from the increasing miscegenation of the black and white races form the theme of this book. Mr. Durham is a southern lawyer and he dwells strongly upon the danger of the social amenities extended to negroes of distinction by persons prominent in politics, philanthropy and educational endeavor. An absorbing story ending in a convincing climax.

+

IN THE LAND OF MOSQUES AND MINARETS. By Francis Miltoun. Boston: L. C. Page & Co. $3.00.

It is always interesting to read of out of the way countries, seldom reached by the tourist. This book gives in a sprightly way a large amount of information regarding the life, religion, poetry, music and customs of the peoples of North Africa. It is copiously illustrated by illustrations from drawings and paintings by Blanch McManus, some of the illustrations being in colors. "Mosques and Minarets" makes a valuable addition to Page's long list of travel books.

+

CAPTAIN LOVE. By Theodore Roberts. Boston: L. C. Page & Co. Price, $1.50.

A readable tale of the romantic type in which the hero loses his identity in an encounter with the knights of the road in which he receives a broken skull. He finally rediscovers home and friends and is reunited with his lost love.

+

ENTERPRISE AND THE PRODUCTIVE PROCESS. By Frederick Barnard Hawley, B.A. New York: G. P. Putnam's Sons.

Mr. Hawley's attempt in this work is to obtain not only precise but authoritative concepts of the scope of economics and of the four productive factors, namely, land, capital, labor and enterprise.

Although primarily a treatise on economic theory, the volume will be found to be both valuable and interesting in the applicability of its principles to the practical questions of the day.

The author has aimed to avoid technicalities, so that the general reader may have no difficulty in following the argument.

+

NATIONAL AND SOCIAL PROBLEMS. By Frederic Harrison. New York: The Macmillan Company. (Price $1.75.)

In the first part of this book, dealing with "National Problems," there are essays on "Bismarckism," "France After the War," "Leon Gambetta," "The Making of Italy," "Egypt," "The Boer War," "Empire and Humanity," and other topics. While these essays are chiefly of historical character—having been written some time ago—they contain much that is applicable to present-day conditions.

The second part of the book deals with "Social Problems," the topics treated of embracing "The Limits of Political Economy," "Trades-Unionism," "Industrial Cooperation," "Social Remedies," "Socialist Unionism," and "Moral and Religious Socialism."

The author's hope for social betterment lies in a religion which shall not aim to land the believer in heaven, but to reform human nature on earth.

To begin the work of regenerating society by a regeneration of the individual himself, is contrary to the views of all those who have at hand some nostrum of their own warranted to set everything right immediately. But after all, it is perhaps the only way. Though this sensible process may be painfully slow to the impatient, its results are likely to be more enduring than the application of any ready-made remedy.

Mr. Harrison's essays are marked by clear analysis, dignity and force. He shows throughout a deep sympathy with humanity, and displays a wise perception of the errors to be avoided in seeking to improve the conditions of the race.

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INTERNATIONAL EXCHANGE. By Anthony Margraff. Chicago: "International Exchange."

"International Exchange" by Anthony W. Margraff of Chicago is now selling in its third edition, and the work is deservedly popular. It is invaluable to all bankers, merchants, manufacturers, or persons who conduct a foreign exchange business, for the very good reason that the information needed by all of them has been treated by the author in a brief yet comprehensive manner, without the usual technical terms found in works of this kind.

The subject of international exchange is a complex one, but Mr. Margraff, who has devoted over a quarter of a century to its study, has, in twenty-eight chapters, covered every point of its usage, in such clear and forceful language that the book's appearance is everywhere being received with unusual appreciation.

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MATTHEW PORTER. By Gamaliel Bradford, Jr. Boston: L. C. Page & Co. Price, $1.50.

The story of how Matthew Porter, a man with an idea and a democrat, becomes governor of the Republican State of Massachusetts. Effective glimpses of Boston social life form a contrast to the more serious purpose of the story. A readable book and a fine specimen of typography.

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BOOKS RECEIVED.

THAT MAN FROM WALL STREET. A Story of the Studios. By Ruth Everett. New York: George Thiell Long. (Price $1.50.)

A NEW THEORY AS TO THE CAUSE OF DEPRESSIONS.

THE present depression lends new interest to the discussion of theories relating to crises and depressions in general, and their causes. So far as crises and panics are concerned, their causes can be pretty well established in each individual case, as the phenomena leading up to the event are not difficult to follow. It is much more difficult, however, to explain why, after a panic has subsided, the consequences of it do not disappear. On this point much diversity of opinion prevails among our economists, so much so, indeed, that hardly two of them quite agree in all respects. It must be admitted that economic science has so far offered little or nothing in the line of practical help either toward preventing depressions, or making an end to them once they have set in. Such being the situation, any investigation of the subject, particularly if it be of an original character, should be welcomed.

A theory of this nature is embraced in a book just published, entitled: "A Neglected Point in Connection with Crises," by N. Johannsen. The author does not proceed from the standpoint of accepted views. On the contrary, he holds many of these to be fallacious, and produces substantial argument to sustain his position. And above all, he throws new light on a certain phase of the saving process, which, as he claims, has been entirely overlooked by economists. Without denying the great benefits flowing from the saving process, he contends that under

certain conditions, such as prevail at times of depression, it entirely changes its character, so as to be chargeable with all those unhealthful phenomena experienced at such times.

Perhaps the drift of the author's views can best be indicated by reproducing the following "Synopsis" taken from the book above mentioned:

"Lack of demand" is the characteristic feature of crises and depressions, especially of the latter; lack of demand for working forces as well as for commodities.

The cause of this lack of demand, at times of depression, is practically unknown. Some economists have tried to connect it with the saving process. If a man earns $1,000 and spends only $900, he will create a shortage of demand to the extent of $100, and unless this shortage were counteracted, we would here have a clear case showing how the "lack of demand" is introduced into our economic system as a positive and definite element.

Our economists hold that such counteraction takes place whenever the savings funds come to be invested. In the course of the investment they are finally expended for goods or commodities. Thus, if the said amount of $100 be applied towards building a house and be paid out in the shape of wages to the builders, the latter will expend the money in buying the commodities they need. This constitutes a demand to the extent of $100; not only for goods, but also for such working forces as produce the goods, or, as it were, reproduce them. This demand fully compensates for the original shortage of demand caused by the saving activity—a process which can easily be traced.

But will such compensation also take place where the savings funds find no opportunities to be invested in enterprise and new constructions? At times of depression such opportunities become scarce and the funds have to follow a different mode of investment which is hard to trace. Our economists maintain, that even then a compensation is effected. They point to a very peculiar phenomenon which can always be observed at such times, namely: the savings funds which constantly flow into the money market do not accumulate there (except to a small extent) but find their way back into the channels of production and trade. They cannot get back into these channels without buying goods or commodities in some shape or other. If they do, they create a demand, not only for goods, but also for working forces. The demand thus created by the expenditure of the said $100 will be fully as large as the original shortage of demand ($100) caused by the saving activity.

From these facts, undeniable as they are, our economists have drawn the conclusion that the saving activity cannot result in a real shortage of the demand, provided the savings funds be promptly invested. This conclusion has been universally accepted as correct and has practically become an axiom in modern economics. Still, it is not reliable.

The conclusion loses sight of a certain eventuality. In ordinary business each participant (working-man, trader, capitalist, etc.) furnishes both supply and demand. If A supplies goods or services to the community worth $100 (or draws income from the community in any shape), he subsequently will buy a hundred dollars' worth of goods *from* the community; either he or his family. Just so with B. Ordinarily, therefore, two sets of working forces, A and B, will furnish two supplies and two demands. At times of depression, however, we often find only one supply and one demand between the two sets of working forces, some of the individuals producing without consuming—others consuming without producing, their services being left uncalled for. This leaves part of the working forces without employment and will disturb the equilibrium between the demand for working forces and the supply thereof.

Such unemployment always occurs whenever savings funds are invested in that peculiar manner which characterizes times of depression; the saving process then assuming its "Impairing Form." Exactly how the investment takes place at such times has never been explained by our economists, the subject having escaped their attention. It will be revealed in this present treatise. And it will be shown that, though the savings will finally be turned into goods and commodities, and though this will give employment to working forces, yet unemployment is bound to intervene before this result is reached; unemployment as well as "lack of demand," both due to the saving process.

Once we comprehend the dual nature of the saving process—stimulating business at one time and depressing it at another—we shall not only get a clearer view of the causes underlying depressions but will also know in which direction to look for the remedy.

While not wishing to stand sponsor for the new theory, THE BANKERS MAGAZINE certainly would be pleased to see it discussed, especially so if it holds out any hope of finding a practical remedy toward mitigating depressions or obviating them altogether.

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

COLUMBIA TRUST COMPANY, NEW YORK.

THE success of the Columbia Trust Co. of New York, as evidenced by its recent removal from 26 Nassau street into larger and finer quarters at the corner of Broadway and Cedar street, has been noted with satisfaction by the conservative element of the local banking community.

The new quarters, which are illustrated in this issue, are furnished with handsome marble and bronze fittings installed by the former occupant. The new banking rooms are remarkable for the amount of light and air available, the working force being placed to excellent advantage along the Cedar street side of the office, which is about 150 feet deep. Besides greatly increased facilities for attending to its present business in the new quarters, the company commands available space for future development.

The Columbia Trust Co. was organized in December, 1905, as an independent institution and has grown steadily since. It has a capital and surplus of more than $2,000,000 and over $7,000,000 of deposits, together with a large and increasing volume of trust business. It is a company of clean reputation, having a board of directors composed of men of high standing in the community. It was among those who contributed liberally to the aid of the trust companies that became embarrassed during the panic last year and was also able to assist many of its own correspondents and clients who were forced to borrow.

The company was organized largely with the guidance of A. Barton Hepburn and Clark Williams, the former becoming chairman of the executive committee and Mr. Williams vice-president. Robert S. Bradley of Boston was made president, but not having been able to devote his attention to the business of the company retired a few months ago. After Mr. Williams' resignation to become superintendent of banks of the state of New York, Willard V. King became president and Howard Bayne, treasurer, became vice-president. Mr. King retired from the vice-presidency of the New York Trust Co. to accept his present office. He has made a specialty of trust department work and has wide experience in the management of estates, trusteeships and the practice of registration and transfer of stocks.

The company has a department for the preparation and certification as to genuineness of municipal bond issues, which includes a complete chain of safeguards from the manufacture of the paper from a special formula, to the engraving of the bonds, using the finest steel engraved designs, owned by the company, and other original processes, giving finer results than have been possible heretofore. The desirability of these protections against forgery or overissue is evidenced by occasional distressing events such as the well-known swindles of the notorious forgers, Prior of Cleveland and Quigley of New York. Conservative investors prefer bonds issued in this way and in some cases will not invest in uncertified bonds. Consequently municipal bonds issued under the old method do not sell as readily and generally do not command as high prices as certified bonds. This specialty has met with great success, the company having already certified many millions of bonds of cities and counties, including Buffalo, Schenectady, Rochester, Syracuse, Essex and Hudson counties, New Jersey, Pittsburg, Wilkes Barre, Waterbury, Atlantic City and many smaller municipalities. This department is under the management of Park Terrell, who with Clark Williams originated and built up this system during the last ten years.

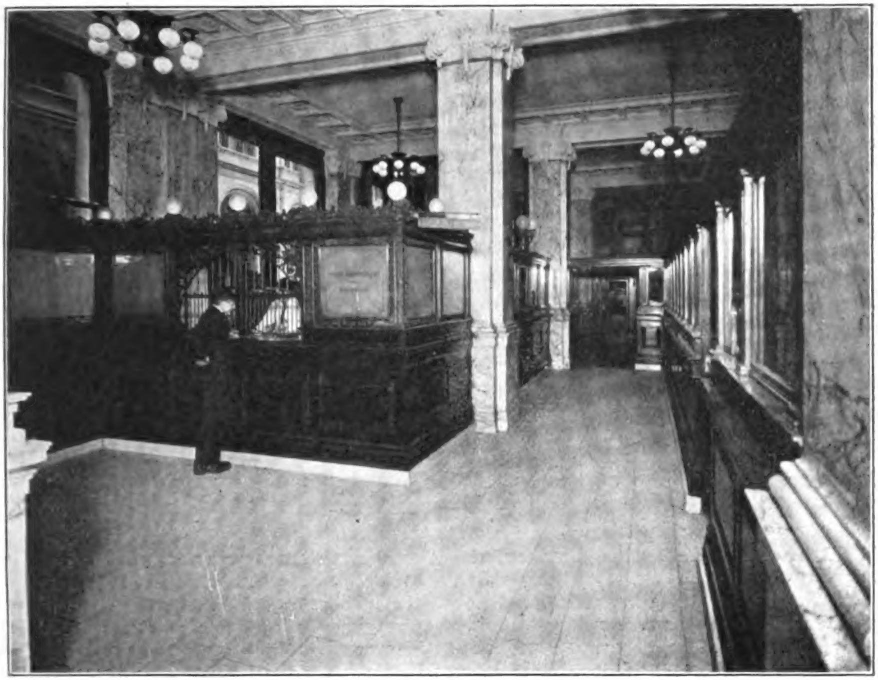
The company has never been known to bid for business by offering more than current rates for deposits, nor has it ever employed personal solicitors. It has not been known to make any risky loans or investments. It has but the one office, as it conducts no branches.

The full list of officers, as at present constituted, is as follows: President, Willard V. King; vice-president, William H. Nichols; vice-president and treasurer, Howard Bayne; secretary, Langley W. Wiggin; assistant secretary, Edwin B. Potts; man-

Officers' Room.

Directors' Room.

COLUMBIA TRUST COMPANY, NEW YORK



Trust Department.

Public Counter.

COLUMBIA TRUST COMPANY, NEW YORK.

ager bond department, Park Terrell; trust officer, D. S. Mills.

The directors are: John D. Barrett, Johnson & Higgins, insurance; Samuel G. Bayne, president Seaboard National Bank; Robert S. Bradley, chairman American Agricultural Chemical Co.; Frederick H. Eaton, president American Car & Foundry Co.; James M. Gifford, Gifford, Hobbs & Beard, attorneys; Henry Goldman, Goldman, Sachs & Co., bankers; A. B. Hepburn, president Chase National Bank; C. H. Huttig, president Third National Bank, St. Louis; Willard V. King, president of the company; Anthony R. Kuser, president South Jersey Gas, Electric & Traction Co.; J. R. McGinley, manufacturer, Pittsburg, Pa.; Charles F. Mathewson, Harmon & Mathewson, attorneys; William H. Nichols, chairman General Chemical Co.; Augustus G. Paine, president New York & Pennsylvania Co.; William R. Peters, Peters, White & Co., chemicals; Clarence W. Seamans, president Union Typewriter Co.; Hermann Sielcken, Crossman & Sielcken, merchants; Arthur Turnbull, Post & Flagg, bankers; Arthur G. Yates, president Buffalo, Rochester & Pittsburg Railroad Co.

AN ARTISTIC BANKING STRUCTURE.

THE new building erected by the Bristol (Conn.) Trust Company is a substantial structure composed of pure white marble. Its exterior outlines are sharply defined angles, while its stalwart and symmetrical columns relieved by beautiful carving, classic in every line, impart a certain stateliness and dignity to its appearance.

Home of the Bristol Trust Company, Bristol, Conn.

A tiled roof with red, green and copper tints affords a striking, yet pleasing, contrast to the white walls beneath.

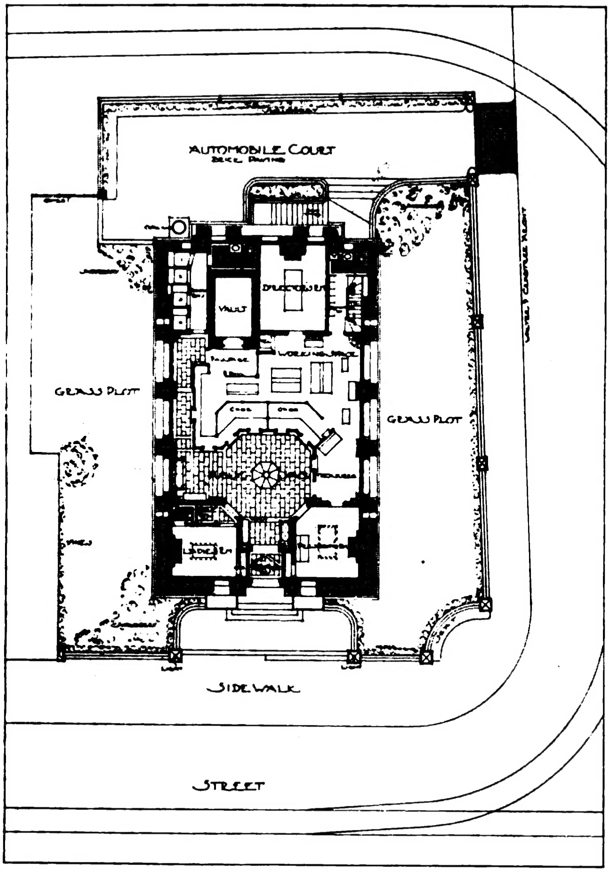
The building is an embodiment of substantiality and practical service, as well as architectural strength and beauty. Its style combines those qualities of ancient Greek architecture which appeal so strongly to the modern mind, that even its resurrected masterpieces are the marvel of modern architects. This style requires the most skilled workmanship and gives assurance that the building will permanently retain its beauty and command admiration in after years.

An attractive lawn, which is designed to add to the dignity of the building and to enhance the beauty of its architecture, surrounds the bank and gives the setting needed to bring out its graceful lines. To accomplish this successfully and render it at-

tractive the year around, native evergreen trees and shrubs have been used. New England red cedar, growing in the midst of native rhododendrons, flanked by Japanese barberry, form the bulk of the plantations, and these, in turn, are assisted by a variety of vines, of which English ivy and Japanese euonymus are evergreen, and the balance includes wistaria, Boston and Englemann's ivies, akebia and others.

The Entrance and Vestibule.

Four stately fluted columns guard the entrance which leads into an attractive vesti-



Floor Plan.

bule, richly decorated in gold tints. From the vestibule one enters the public corridor where at once the entire main banking room is in view. Here the domed ceiling rises out of large fluted Ionic pilasters with ornamental cornices and the floor is of Italian marble with green serpentine borders, while the side walls are wainscoted with polished Paonazzo marble, characterized by dark green veins. The woodwork is Honduras mahogany of the finest fibre and the highest finish.

Decorations.

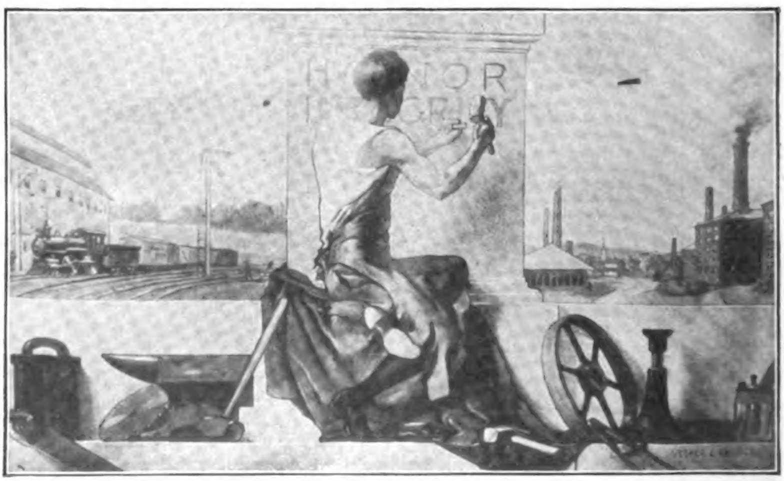
The greater portion of the bank building is composed, of course, of the main banking room, devoted to the public and the transaction of the bank's regular business.

In this room the walls are of empire blue, and the architectural features are gilded and toned down to a general impression of old gold. This room occupied the whole height of the building, which gives space for an impressive coved ceiling.

The decoration in this cove is French renaissance with a leaning toward the classic. The background is gold on which is superposed a rich figured ornament in blues, greens, reds and browns. The four sides of the cove are decorated with emblems representing, respectively, finance,

agriculture, industry and commerce, to harmonize with the larger decorations painted by Vesper L. George, which occupy the center of the sides, and which are enclosed by frames of laurel. Mr. George's panels are eight feet long by five feet high. They

Commerce



Industry.

represent the four subjects mentioned, treated in semi-conventional style, and are a gift to the bank from its president, W. E. Sessions.

The Ladies' Room.

The style of Louis XIV. was that which was selected for the decorations of the ladies' room. The walls are of old rose with silk effect, with soft stiles and are broken up by panels with stucco borders. The ceiling is festooned with flower decorations. All the woodwork is finished in cream white, and the effect of the whole is extremely dainty and beautiful. Here also are provided writing tables, stationery and other conveniences as well as some of the luxuries which ladies enjoy and appreciate.

Mezzanine Floor.

An iron stairway leads to a mezzanine floor and assembly room, which is carried

over the space occupied by the directors' room, the vault, the booths and employees' room. This room, which is well lighted, affords a gallery view of the main banking lobby and may be used as occasion requires for stockholders' meetings or any

Presidents' and Directors' Rooms.

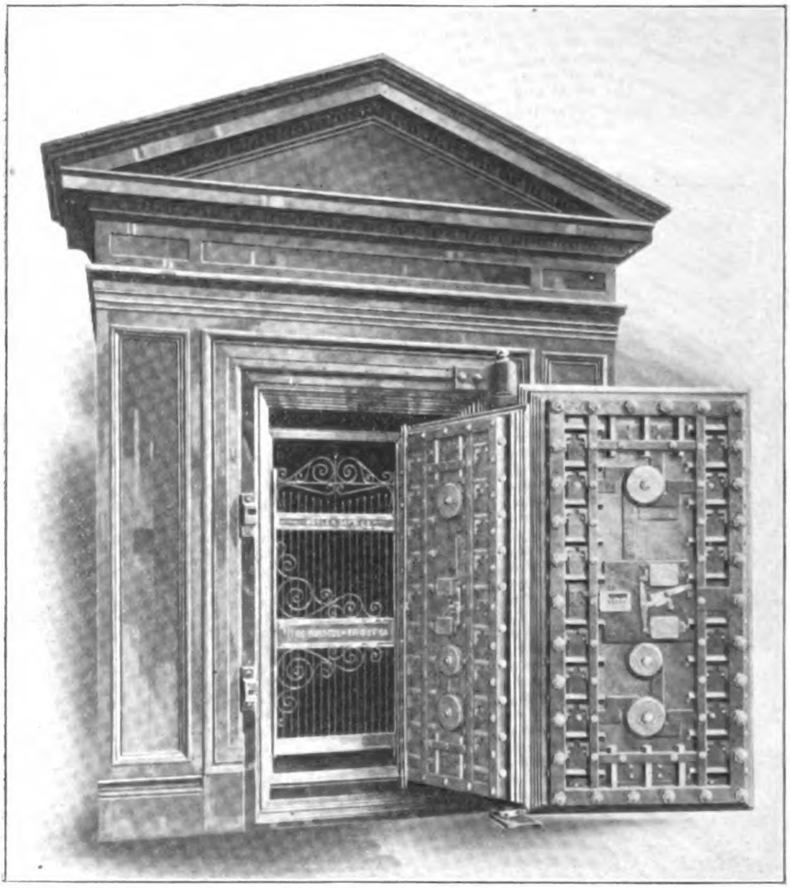
Directly back of the working space will be found the directors' room, which is spacious and light, furnished simply yet impressively in the same rich mahogany that is used throughout the entire building.

Finance.

Agriculture.

other purposes. Here the woodwork of dark green appears to excellent effect against a wall of dark old red, with classic decorations in green. The ceiling and cove are treated in a quiet manner to harmonize with the walls and yet give space and height to the room.

The presidents' room is in the front of the building, to the right as one enters the bank from the street, and is conveniently located for communication from the lobby or the working space. It is decorated in dark Flemish blue, of the Renaissance period, with a border of conventional fruit



The Vault.

on a gold background. This, with the rich ceiling and mahogany woodwork and furniture, produces an effect that is at once opulent and dignified.

The Corridor.

The public corridor occupies the heart of the building and is of octagonal shape with the paying and receiving tellers' and bookkeepers' windows facing it, and framed off from it by the metallic screen which guards the banking force at work. Opening from it are the presidents' room, and the treasurer's room on the right of the entrance; and the ladies' room on the left, also a telephone booth for patrons. On the north side is a public passage, leading to the booth rooms. Directly in the rear of the working space is the directors' room which is of ample size. South of the directors' room is the employees' room which is equipped with lockers and other conveniences. Ample provision is made for lavatory appointments in connection with these rooms and in general throughout the building.

In General.

The building is thoroughly modern, absolutely fire-proof and is damp-proof and water-proof throughout. The steam system of heating and gravity system and blower system of ventilation are used. Special connections with the public steam plant enable the company to use heat from this source with its own heating plant being held in reserve for emergencies. All of the wiring in the building, telephone, electric light and bell, is carried through a conduit system, avoiding the marring in any manner of the beauty of the interior and being thus additionally safeguarded against fire.

The furniture for the Bristol Trust Company's home is all of special design, manufactured to order, the desks, chairs, tables, etc., being in harmony with the quiet elegance of the whole. The exterior dimensions of the building are forty-three feet by seventy-one feet and in its entirety well expresses its purpose and is admirably adapted in all its arrangements to the transaction of a banking and trust business in an economical and convenient manner.

The officers of this institution are substantial business men, headed by William E. Sessions, the president, who is also president of the Sessions Foundry company and the Sessions Clock company of Forestville, both live and prominent manufacturing plants of the town. The other officers are: Vice-president, C. L. Wooding; secretary and treasurer, Francis A. Beach; assistant secretary and treasurer, George S. Beach. There is an executive committee consisting of the president, vice-president and treasurer. The directors are: W. E. Sessions, C. L. Wooding, A. J. Muzzy, M. E. Weldon, A. L. Sessions, J. B. Sessions and F. A. Beach.

THE BUSINESS OUTLOOK.

An encouraging view of the business outlook is taken by Messrs. Fisk and Robinson in the July number of "The Investment Bulletin," which says:

The several preliminary steps essential to the restoration of business are as well defined as the causes which produce depression. Neither is a haphazard process, but an orderly march of events, and when historically examined their careers are found to be practically the same in each recurring instance. It is true that the duration of the period of stagnation may be greatly influenced by extraneous circumstances, such as, uncertainty as to the maintenance of a nation's monetary standard, but no matter what these extraneous circumstances may be, or how great their influence, the steps referred to are fundamental and must be taken. It is not difficult to formulate them and as there are no pending factors of indeterminate power greater than a national campaign and the demands of labor to be considered, it is not difficult to forecast the termination of the present business situation.

When the commercial and industrial world has faced for a long period a steady rise in interest rates, and in the cost of commodities to be handled and manufactured, and has been subjected finally to a crisis accompanied by a severe panic, there is a profound demoralization which extends even to the stamina of the individual. The saying that men have lost their nerve accurately defines their condition. Quite aside from a marked diminution of the world's purchasing power there is a widespread disinclination for business activity. The banker becomes timid and in reality is weary of the strain, while, on the other hand, the business man's initiative suffers a temporary suspension and he finds himself reluctant to engage in enterprises which formerly were attractive. Each must have a season of rest and recuperation.

The first step in the process of recovery is the restoration of confidence on the part of the lender, and of the borrower as well, but before the revival of business really begins, there must be such a decrease in interest rates, and in the cost of commodities, and of labor, as will tempt the industrial and commercial leaders to renewed activity. In the present instance most of the essential steps have been taken. Expressions of confidence are heard on all sides and money is abundant and cheap, not only at home but, with some exceptions daily growing fewer, all over the world. As a matter of fact the bank reserves of the world are higher than at any previous time. The prices of commodities generally have materially declined, but in certain directions, notably the rates for steel, liquidation may have to go further before the point of encouragement is reached. Except in two directions, broadly speaking, labor is sharing in the liquidation. These exceptions are in metal working and in the transportation lines. In both cases the fight is on. The latter is complicated by political necessities and the partly assumed and partly legal control exercised in such matters by the Interstate Commerce Commission. For the reduction in the wage scale of the railroads there has been substituted a diminution in the number of employes. It remains to be seen if this can be made to serve the purposes of that reduction of pay which is normal under existing conditions, and whether an exception can be made in the matter of railway wages and a restoration of business still occur. The present slow but steady increase in the number of railroad employes coincident with the increase in cars operated suggests that possibly this obstacle even if not eliminated may fail to prove a hindrance to the resumption of business.

It is interesting at this time to recall some of the features of the depression which began in 1893. That crisis was complicated with the silver question which prolonged stagnation for more than three years, but the settlement of that problem coincidently with the election of President McKinley was quickly followed by a business revival and the absorption of investment securities with a rapidity and to an extent previously unknown. We face now, as then, a presidential election, but unlike that campaign, the result now seems a foregone conclusion, and in the election of Mr. Taft we shall have a President whose calm and judicial turn of mind and wide experience with international affairs commands confidence abroad, as well as at home. As already indicated, there are no complications in sight likely to cause a continuance of depression, while the industrial conditions are far better than in 1896-1897. There are no accumulations of commodities, the various stages on the road to recovery are rapidly being reached, and it seems to us that the conclusion is justifiable that we are on the edge of a period of the greatest prosperity the country has yet enjoyed—the greatest chiefly because it will be marked by greater sanity and wisdom, as well as by higher standards and sounder business methods. It is likely to be a period in which we will look back on present investment values as being extremely low.

MONEY, TRADE AND INVESTMENTS

NEW YORK, August 2, 1908.

THE ADVANCE IN THE STOCK MARKET last month brings to mind the beginning of the upward movement twenty-three years ago which was witnessed in July, 1885. It had long been the theory that no activity in the market need be looked for in July and August and brokers and operators were wont to go on their vacation trips feeling that nothing of importance would require their attention before September 1.

But in 1885, right after the fourth of July, things began to happen. Drexel Morgan & Co. and William H. Vanderbilt completed an arrangement which put the West Shore into the hands of the New York Central and that was the signal for an upward movement in the stock market which did not end for several years. The stock market "boomed" and Wall Street people rushed back to the city to attend to business.

History to a partial extent has repeated itself. Last month from almost unprecedented dullness the stock market jumped into exceptional activity. On July 3 the sales of stocks at the New York Stock Exchange were only about 70,000 shares, the smallest record in a dozen years. While there were no million share days there was activity enough after the holidays were over, to bring the month's total sales up to nearly 14,000,000 shares, an aggregate not equalled in recent years except in 1906 and 1901 and 1902.

The bond market made even a better record with transactions reaching nearly $80,000,000, a total higher than was ever reached in July before. In July, 1907, only about $26,000,000 of bonds were sold and in July, 1906, only $37,000,000.

There was a material advance in prices of both stocks and bonds and comparisons with prices recorded during and after the panic of last autumn shows an extraordinary increase in market values. Carrying the comparison back further to the early part of 1907, however, it will be seen that there is still much ground to be recovered.

As to the influences which are at present giving trend to price movements there is not very much to be said. News is duller than the stock market. There is a growing sentiment that times are going to be better and that in some directions they are now better. There is conflict of opinion however and the improvement in general business conditions is not yet so pronounced as to force unanimity of views as to the future.

The developments in the political field have had no potential effect as yet upon opinion or confidence. On July 10 William J. Bryan was nominated as the Democratic candidate for the president, as was expected. So far the nomination has had no effect whatever upon the financial situation. Later in the month came the speech of acceptance by Mr. Taft, the Republican candidate. That event also brought neither enthusiasm nor consternation into financial circles.

Later on the possible chances of either candidate being elected may become factors in Wall Street, but in July they were negligible quantities.

There were few events during the month of much importance. The decision of the U. S. Circuit Court of Appeals setting aside the $29,240,000 fine imposed on the Standard Oil a year ago by Judge Landis made something of a sensation. Their decision does not dispose of the case on its merits, and the government has announced its intention to prosecute the case to a finish. Whatever the outcome an improved public sentiment regarding the obligations of large corporations and of those who control them, must grow out of the efforts of the government to hold them to strict accountability.

While the Standard Oil is entitled to the same justice that belongs to the most modest citizen it does not stand in need of all the sympathy that has been poured upon its head. Only recently the dividends paid by the Standard Oil Company of New Jersey, which owns the company Judge Landis undertook to fine, since 1898 were published. They amounted to $389,000,000 in less than ten years while the profits over and above the dividends paid aggregated $220,000,000. There seems to be more than one side to the question of what the Standard Oil deserves.

No little interest was taken in the conferences which the officials of the Eastern trunk lines have been engaged in for some time. The matter under consideration was an advance in freight rates. It was finally decided that no advance should be made until December next. The view is generally entertained that an advance is necessary or the other alternative is a reduction in expenses which would of course affect wages of employes.

A compilation of the earnings of 101 railroads for five months ended May 31, made by the "Financial Chronicle" shows a decrease of $128,211,068 in gross earnings and of $49,607,282 in net earnings. The loss in net is about 28 per cent. and must be seriously felt by the railroads.

An improvement in business is looked for by the railroads and there has been some recovery from the depression of a few months ago. The statistics of idle cars were favorable until the report for July 22 came out. On April 13 last 413,338 cars were reported not in use. This number was steadily reduced until July 8 when there were only 303,042 idle cars. On July 22, however, there was an increase to 308,680 cars. The official statement however, says that there was a decrease of 3,000 in the number of "bad order" cars making the net increase in idle cars fit for service only 2,120 since July 8.

The money situation continues free from embarrassment. The New York clearing-house banks now report reserves exceeding $400,000,000 and a surplus reserve of $59,000,000. There seems to be no danger of stringency for some time to come, even in the event of a large demand for funds for crop moving purposes.

The United States Treasury will not be a menace for a long time so far as locking up money is concerned. It is spending more money than it is receiving and last month had a deficit of nearly $25,000,000. The Secretary of the Treasury called upon the national bank depositaries to surrender $45,000,000 of their public deposits but subsequently reduced the amount to $33,000,000. The banks now have $130,000,000 of government funds as against $164,000,000 in June.

Some $65,000,000 of 3 per cent. bonds issued for the Spanish War fell due on August 1 and the Secretary decided that he would not retire them as they are largely held in the Treasury as security for bank circulation, on which the national banks are paying a circulation tax.

As the country's crops are still recognized as the basis of prosperity the July report of conditions has brought encouragement. The estimates indicate a wheat yield of 692,790,000 bushels the largest except in three years: in 1901 when the yield was 748,460,218 bushels, 1905 when it was 692,979,489 bushels and 1906 when it was 735,260,970 bushels.

The indicated corn crop is 2,726,892,000 bushels, exceeding all other years except 1906 when the yield was 2,927,416,000 bushels. Oats will give the largest yield ever recorded, 1,012,300,000 bushels, as compared with the bumper crop of 987,842,712 bushels in 1902. Barley and rye are also good crops and will reach nearly to record figures.

The report on the iron production of the country in the first six months of 1908 and the statement of earnings of the United States Steel Corporation for the second quarter of the year, both published last month, directed attention once more to the relation which exists between the iron and steel industry and the prosperity of the country.

The output of pig iron in the first six months of the year was only 6,918,004 tons, the smallest total recorded in any six months since the last half of 1900. Compared with the first half of 1907 there is a decrease of 6,560,040 tons. Never in the previous history of the iron trade has there been such a decline. In the first six months of 1904 the production was 8,173,438 tons as against 9,707,367 tons in the first six months of 1903 the highest record up to that time. The decrease in 1904 was only 1,533,929 tons, or less than 16 per cent. as against a decrease of 48 per cent. this year.

SEMI-ANNUAL PRODUCTION OF PIG IRON.

Year.	First Half. Tons.	Second Half. Tons.
1888	3,020,092	3,469,646
1889	3,661,603	3,942,039
1890	4,560,513	4,642,190
1891	3,368,107	4,911,763
1892	4,769,683	4,387,317
1893	4,562,918	2,561,584
1894	2,717,983	3,939,405
1895	4,087,558	5,358,750
1896	4,976,236	3,646,891
1897	4,403,476	5,249,204
1898	5,869,703	5,904,231
1899	6,289,167	7,331,536
1900	7,642,569	6,146,673
1901	7,674,613	8,203,741
1902	8,808,574	9,012,733
1903	9,707,367	8,301,885
1904	8,173,438	8,323,595
1905	11,163,175	11,829,205
1906	12,582,250	12,724,941
1907	13,478,044	12,303,317
1908	6,918,004	....

The table presented here shows the pig iron production in each half year since 1887.

It will be observed that in 1904 there was a rapid recovery and the production in the last half of that year was slightly larger than in the corresponding period of 1903. There is little chance of the output in the last half of this year exceeding that of the last half of 1907. The furnaces reported in blast on July 1 had a weekly capacity of 264,452 tons as against 528,170 tons on the same date in 1907, 460,570 tons in 1906, 408,617 tons in 1905 and 282,301 tons in 1904. The present rate of production therefore is 7,849 tons per week less than in 1904. Unless there is a phenomenal increase during the remainder of the year the total output for 1908 will be the smallest since 1900.

There are however favorable indications of recovery and it is not to be overlooked that there has been the most extraordinary growth in the iron industry in recent years. A table showing the annual output of pig iron in the last forty years makes an interesting study.

It was not until 1864 that the production of pig iron in this country reached 1,000,000 tons. In the ten years ended 1877 the total output reached about 20,000,000 tons. In the succeeding ten years this was more than doubled, advancing about 42,000,000 tons. In the ten years, 1888 to 1897 inclusive, which included several years of bad times, the output increased 40,000,000 tons above the record of the previous ten years. In the ten years ended December 31, 1907, there was a further increase of nearly 100,000,000 tons.

The periods of commercial disaster may be traced in this record of pig iron production. In 1870 there was a slight decrease in output. From 1874 to 1876 inclusive the annual production fell off nearly 700,000 tons, or 25 per cent. In the three years 1883, 4 and 5, there was another decline of nearly 600,000 tons or over 10 per cent. In 1891 the decrease was over 900,000 tons or about 10 per cent. In the two years 1893 and 1894, pig iron production declined 2,500,000 tons, or 27 per cent. and in 1896 800,000 tons, or 9 per cent. The last decrease until the present was in 1904 when the output fell off 1,500,000 tons or over 8 per cent.

The record of steel production covers just about 40 years, the first official figures being for 1867, when 19,643 tons were produced. The annual figures since are given in the table herewith:

The remarkable growth in this industry is shown in the totals for the ten year periods. From 2,250,085 tons in the decade ended 1877 the production has increased to

FORTY YEARS OF PIG IRON PRODUCTION.

Year.	Tons.	Year.	Tons.	Year.	Tons.	Year.	Tons.
1868......	1,431,250	1878......	2,301,215	1888......	6,489,738	1898......	11,773,934
1869......	1,711,287	1879......	2,741,853	1889......	7,603,642	1899......	13,620,703
1870......	1,665,179	1880......	3,835,191	1890......	9,202,703	1900......	13,789,242
1871......	1,706,793	1881......	4,144,254	1891......	8,279,870	1901......	15,878,354
1872......	2,548,713	1882......	4,623,323	1892......	9,157,000	1902......	17,821,307
1873......	2,560,963	1883......	4,595,510	1893......	7,124,502	1903......	18,009,252
1874......	2,401,262	1884......	4,097,868	1894......	6,657,888	1904......	16,497,033
1875......	2,023,733	1885......	4,044,526	1895......	9,446,308	1905......	22,992,380
1876......	1,868,961	1886......	5,683,329	1896......	8,623,127	1906......	25,307,191
1877......	2,066,594	1887......	6,417,148	1897......	9,652,680	1907......	25,781,361
10 yrs..	19,984,735	10 yrs..	42,484,217	10 yrs..	82,237,458	10 yrs.	181,470,757

FORTY YEARS OF STEEL PRODUCTION.

Year.	Tons.	Year.	Tons.	Year.	Tons.	Year.	Tons.
1868......	26,786	1878......	731,977	1888......	2,899,440	1898.....	8,932,857
1869......	31,250	1879......	935,273	1889......	3,385,732	1899.....	10,639,857
1870......	68,750	1880......	1,247,335	1890......	4,277,071	1900.....	10,188,329
1871......	73,214	1881......	1,588,314	1891......	3,904,240	1901.....	13,473,595
1872......	142,954	1882......	1,736,692	1892......	4,927,581	1902.....	14,947,250
1873......	198,796	1883......	1,673,535	1893......	4,019,995	1903.....	14,534,978
1874......	215,727	1884......	1,550,879	1894......	4,412,032	1904.....	13,859,887
1875......	389,799	1885......	1,711,920	1895......	6,114,834	1905.....	20,023,947
1876......	533,191	1886......	2,562,503	1896......	5,281,689	1906.....	23,398,136
1877......	569,618	1887......	3,339,071	1897......	7,156,957	1907.....	*23,360,000
10 yrs..	2,250,085	10 yrs..	17,077,499	10 yrs..	46,379,571	10 yrs.	153,358,836

* Approximate.

153,358,836 tons in the ten years ended 1907. There have been several short periods of decline in this industry and frequently the reduction in the steel output has preceded the decline in pig iron.

The most comprehensive and significant statistics regarding the steel industry are now found in the quarterly statements of the United States Steel Corporation. They show not only the condition of the trade in the past but also a forecast to some extent of the future.

The statement just issued by this corporation covers the quarter ended June 30, 1908, and shows that the net earnings were $20,265,756, a decrease of more than $25,000,000 as compared with the same quarter in 1907. The earnings were about $2,300,000 more than in the first quarter but are within $800,000 of the lowest ever recorded for the second quarter of any year. The accompanying table shows the earnings in the first six months of each of the last five years.

NET EARNINGS, UNITED STATES STEEL CORPORATION.

	1904.	1905.	1906.	1907.	1908.
January	$2,868,213	$6,810,847	$11,856,375	$12,838,703	$5,052,743
February	4,540,673	6,629,463	10,958,275	12,145,815	5,709,428
March	6,036,346	9,585,586	13,819,840	14,137,974	7,466,834
First quarter....	$13,445,232	$23,025,896	$36,634,490	$39,122,492	$18,229,005
April	$6,863,833	$9,037,925	$12,581,902	$14,600,838	$6,761,680
May	6,256,518	10,602,187	14,041,601	16,056,832	6,021,279
June	6,370,374	10,665,004	13,501,530	14,846,035	7,482,797
Second quarter..	$19,490,725	$30,305,116	$40,125,033	$45,503,705	$20,265,756
Half year	$32,935,957	$53,331,012	$76,759,523	$84,626,197	$38,494,761

NET EARNINGS BY QUARTERS.

	First Quarter.	Second Quarter.	First Half.
1901	....	$26,363,840	....
1902	$26,715,457	37,662,058	$64,377,515
1903	25,068,707	36,642,308	61,711,015
1904	13,445,232	19,490,725	32,935,957
1905	23,025,896	30,305,116	53,331,012
1906	36,634,490	40,125,033	76,759,523
1907	39,122,492	45,503,705	84,626,197
1908	18,229,005	20,265,756	38,494,761

The earnings for the first half of the year are $46,000,000 less than in 1907 but about $5,600,000 more than in 1904, those two years representing the extremes of good and bad times in the history of the corporation. This company dates its existence from 1901 and the table herewith shows the net earnings for the two quarters and the six months in the first half of each year since the United States Steel Corporation began operations. They show a very wide fluctuation in the earnings of the company which would be perilous were not its finances upon a very solid foundation.

The company reports favorable prospects in that the booking of orders in July has been much larger than in June, the increase being about 26,000 tons a day. On June 30 the unfilled orders were 3,313,876 tons, the smallest at the end of any quarter since September 30, 1904. There has been a decrease every quarter since December 31, 1906, when there were 8,489,718 tons reported, that being the largest amount ever recorded.

The report of the Bureau of Statistics on our foreign trade in the fiscal year just ended June 30, 1908, shows the effect of the panic of last year. Exports were $20,000,000 less than in the previous year and imports $240,000,000 less. Prior to the panic all indications pointed to new records for both exports and imports in the year just closed. In the last four months of the year, however, exports fell $87,000,000 below those of the previous year, while in the nine months since October 1, imports fell off $286,000,000. The total exports for the year were $1,860,799,097 and the imports $1,194,341,994, making the net exports $666,457,103. This is the largest balance ever recorded, the high records in other years being: 1901, $664,592,826; 1898, $615,432,676; 1900, $544,541,898; 1899, $529,874,813, and 1906, $517,302,054.

The gold movement for the year far exceeded all previous years. The total imports of gold amounted to $148,297,533 and the

total exports to $72,432,924, making the net exports $75,864,609. Nearly $119,000,000 gold was imported in the three months November, December and January, while nearly $50,000,000 was exported in the three months April, May and June.

The largest total imports of gold in previous years were $120,391,674 in 1898, $114,-510,249 in 1907 and $100,031,259 in 1881. Only three times have the total exports of gold in a single year reached $100,000,000, as follows: 1864, $100,661,634; 1893, $108,-680,844, and in 1896, $112,409,947. In four other years, 1891, 1894, 1904 and 1905 they were larger than in 1908.

The net imports of gold in the past year, $75,864,609, have been exceeded three times, in 1898 when $104,985,283, the high record, was made and in 1881 and 1880 when the net imports were $97,466,127 and $77,119,-371, respectively. In the last twelve years the country has gained by importation $431,000,000 of gold, or $115,000,000 more than it exported in the previous eight years.

THE MONEY MARKET.—Call money continues easy and is lower than it was a month ago. Time money is firmer and lenders are very particular as to the character of the collateral. Considerable long time commercial paper is being taken by European investors. At the close of the month call money ruled between 1@1¼ per cent., with the average about 1¼ per cent. Banks and trust companies loaned at 1 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2 per cent. for sixty days, 2¼@2½ per cent. for ninety days, 3¼@3½ per cent. for four months, 3½ per cent. for five months, 3¾@4 per cent. for six months on good mixed collateral. For commercial paper the rates are 3@3½ per cent. for sixty to ninety days' endorsed bills receivable, 4@4¼ per cent. for first-class four to six months' single names, and 4½ @5 per cent. for good paper having the same length of time to run.

NEW YORK BANKS.—The New York Clearing House banks experienced exceptional changes in condition during the past month. In the five weeks from June 27 to August 1 the deposits increased $45,000,-000 and loans $42,000,000. Both these items are now the largest ever reported. The loans are $1,273,230,900 and deposits $1,-365,401,300, the latter exceeding the former by $92,000,000. These are "average" figures but they closely approximate the "actual." The reserve now exceeds $400,000,000, the largest in the history of these institutions. The increase during the month was about $4,000,000. The surplus reserve continues to fluctuate widely. It fell from $66,000,-000 to $47,000,000 between June 27 and July 11 and increased to $59,000,000 in the following three weeks. The surplus is $52,-000,000 larger than it was a year ago and deposits are $266,000,000 larger.

FOREIGN BANKS.—The Bank of England lost $11,000,000 gold last month wiping out the gain of the previous month. The Bank of France gained $8,000,000 making nearly $70,000,000 in the last three months. The Bank of Russia gained $21,000,000, the first important increase in some time. Compared with a year ago the net holdings of the principal European banks show an increase of $175,000,000.

MONEY RATES IN NEW YORK CITY.

	Mar. 1.	*April 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1½–2	1½–2	1¾–2	1½–¾	1¼–2	1 –1¼
Call loans, banks and trust companies	1½–2	1¼–½	1¾–	1½–	1 –	1 –
Brokers' loans on collateral, 30 to 60 days	4 –	3 –	2¼ ½	2½–	1½–2	2 –
Brokers' loans on collateral, 90 days to 4 months	4 –¼	3¼–4	2½–3¼	2¾–3¼	2 –2¾	2½–3½
Brokers' loans on collateral, 5 to 7 months	4½–¾	4 –	3½–¾	3½–4½	3¼–4	3½–4
Commercial paper, endorsed bills receivable, 60 to 90 days	4½–5	5 –¼	4 –½	3¼–4	3½–	3 –3½
Commercial paper, prime single names, 4 to 6 months	5 –½	5½–	4 –½	4 –½	4½–	4 –4¼
Commercial paper, good single names, 4 to 6 months	5½–6	–	4½–5		4½–5	4½–5

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	*Loans.*	*Specie.*	*Legal tenders.*	*Net Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 3...	$1,241,696,500	$306,623,600	$78,189,400	$1,320,470,800	$54,695,300	$56,459,900	$1,356,536,200
" 11...	1,255,712,800	301,491,900	77,636,400	1,328,300,200	47,053,250	56,189,500	1,482,284,100
" 18...	1,264,688,300	310,163,600	79,068,100	1,346,013,200	52,728,400	56,020,100	1,481,047,000
" 25...	1,270,921,400	316,610,900	79,652,400	1,358,988,200	56,516,250	56,088,300	1,543,713,000
Aug. 1...	1,273,230,900	321,313,400	79,120,500	1,365,401,300	59,083,575	56,149,900	1,342,439,400

New York Clearing House Banks—Actual Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Reserve Held.
July 3	$1,245,557,000	$298,979,600	$78,107,900	$1,318,008,600	$377,087,500
" 11	1,261,470,400	305,701,600	79,041,000	1,338,714,700	384,742,600
" 18	1,270,049,400	309,606,400	80,322,600	1,352,034,800	389,929,000
" 25	1,273,551,100	320,209,600	79,581,300	1,365,532,700	399,790,900
Aug. 1	1,273,106,400	320,015,500	78,413,700	1,364,662,900	398,429,200

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Gross Deposits.	Reserve on Deposits
July 3	$907,862,500	$76,236,900	$13,371,900	$790,094,100	$993,315,900	$328,447,100
" 11	905,746,100	82,844,900	14,868,400	809,552,300	991,946,800	317,945,900
" 18	905,774,400	82,562,100	15,532,900	804,402,400	997,289,000	327,838,200
" 25	903,831,600	82,981,800	15,340,200	805,011,300	999,271,900	329,353,800
Aug. 1	907,476,800	83,161,600	14,664,900	807,727,200	1,005,379,400	333,024,800

State Banks—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
July 3	$267,711,500	$59,651,400	$21,346,300	$324,798,900	$102,745,900
" 11	267,297,500	58,949,200	22,589,200	327,101,200	104,981,600
" 18	269,731,400	58,294,200	23,378,900	327,161,300	102,896,500
" 25	267,560,600	59,183,800	23,753,200	324,843,700	102,935,600
Aug. 1	266,950,700	57,680,300	22,672,000	321,181,600	101,280,000

Trust Companies—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
July 3	$827,340,800	$71,462,600	$6,733,000	$895,534,400	$299,010,400
" 11	825,190,600	77,824,200	7,319,800	890,761,500	285,499,400
" 18	824,367,000	77,599,900	7,295,300	896,928,200	296,977,500
" 25	823,021,100	78,064,400	7,280,400	900,994,200	299,948,800
Aug. 1	826,833,300	78,397,000	7,066,900	908,324,200	303,321,900

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	39,788,525
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	1,320,176,400	66,098,800
August	1,060,116,900	18,892,475	1,099,302,400	7,478,200	1,365,401,300	59,083,575
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	....	....
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,365,401,300, on August 1, 1908; loans, $1,273,230,900 on August 1, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
June 27	$86,482,400	$103,356,200	$5,965,300	$7,324,800	$14,956,000	$4,000,700	$6,407,750
July 3	86,028,200	104,195,700	5,938,800	7,126,000	16,776,300	3,582,500	7,374,675
" 11	85,818,400	107,048,900	6,042,900	8,260,100	17,577,900	4,368,600	9,489,275
" 18	86,716,200	106,587,500	6,303,000	8,941,200	15,244,800	4,303,900	8,146,025
" 25	87,600,900	106,537,800	6,255,700	8,851,000	14,109,500	4,520,900	7,102,650

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
June 27	$189,587,000	$227,840,000	$24,096,000	$3,175,000	$10,501,000	$115,279,900
July 3	188,408,000	241,278,000	24,145,000	3,051,000	10,240,000	141,930,600
" 11	189,883,000	238,752,000	24,469,000	3,356,000	10,563,000	151,702,800
" 18	192,613,000	244,592,000	25,432,000	3,552,000	10,606,000	159,849,800
" 25	194,009,000	241,751,000	26,037,000	3,381,000	10,549,000	184,068,200

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
June 27	$230,476,000	$272,666,000	$74,270,000	$16,248,000	$104,056,500
July 3	232,275,000	275,399,000	74,087,000	16,142,000	107,460,800
" 11	233,673,000	274,959,000	73,747,000	16,417,000	123,988,000
" 18	235,228,000	277,380,000	71,963,000	16,192,000	117,769,600
" 25	234,350,000	276,650,000	73,468,000	16,176,000	106,057,500

GOLD AND SILVER IN THE EUROPEAN BANKS.

	June 1, 1908.		*July 1, 1908.*		*Aug. 1, 1908.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£37,674,499	....	£39,404,613	....	£37,120,389	....
France	121,318,489	£36,684,171	126,055,687	£37,843,901	127,680,551	£36,287,879
Germany	36,370,000	15,073,000	40,058,000	16,601,000	40,815,000	16,915,000
Russia	111,400,000	7,566,000	111,827,000	7,651,000	116,034,000	7,945,000
Austria-Hungary	46,758,000	18,335,000	46,800,000	13,389,000	47,016,000	13,463,000
Spain	15,576,000	26,577,000	15,610,000	26,850,000	15,668,000	26,989,000
Italy	36,323,000	4,895,000	36,282,000	4,800,000	36,711,000	4,400,000
Netherlands	7,700,400	4,315,300	7,703,100	4,265,400	7,703,600	4,246,100
Nat. Belgium	4,171,338	2,085,667	4,150,667	2,075,333	4,044,667	2,022,333
Sweden	3,892,000	....	3,886,000	....	4,029,000	....
Switzerland	3,432,000	....	3,593,000	....	3,955,000	....
Norway	1,493,000	....	1,453,000	....	1,689,000	....
Totals	£426,108,671	£110,051,188	£436,773,067	£112,925,684	£442,457,207	£112,268,312

FOREIGN EXCHANGE.—Sterling Exchange declined fractionally during the month but was stronger although quiet in the last week. There has been an increase in drafts against grain exports with liberal buying. An advance in time loans in the local market appears to have influenced the transfer of capital from London representing credits employed there while rates for money were higher there than here.

MONEY RATES ABROAD.—The only change made in the posted rate of discount by any European bank last month was a reduction of 3½ to 3 per cent. by the Bank of Belgium on July 16. Open market rates are lower in the principal money centers. Discounts of sixty to ninety-day bills in London at the close of the month were 1½@1⅝ per cent., against 1¼ per cent. a month ago. The open market rate at Paris was 1¼ per cent. against 1¾ per cent. a month ago, and at Berlin and Frankfort 2⅞ per cent., against 3¼@3⅜ per cent. a month ago.

SILVER.—The London silver market was weak throughout the month, the price fluctuating between 24 13-16 d. and 24 3-16 d., the latter being the closing figure for the

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
July 3	4.8575 @ 4.8585	4.8690 @ 4.8700	4.8710 @ 4.8720	4.85⅜ @ 4.85¼	4.84⅝ @ 4.85¼
" 11	4.8570 @ 4.8580	4.8695 @ 4.8700	4.8715 @ 4.8720	4.85⅜ @ 4.85½	4.84⅝ @ 4.85⅛
" 18	4.8575 @ 4.8585	4.8700 @ 4.8705	4.8715 @ 4.8725	4.85⅜ @ 4.85½	4.84¾ @ 4.85
" 25	4.8520 @ 4.8530	4.8670 @ 4.8675	4.8690 @ 4.8700	4.84⅞ @ 4.85	4.84¼ @ 4.85
Aug. 1	4.8530 @ 4.8540	4.8685 @ 4.8690	4.8705 @ 4.8715	4.85 @ 4.85⅛	4.84½ @ 4.85

Foreign Exchange—Actual Rates on or About the First of Each Month.

	April 1.	May. 1.	June 1.	July 1.	Aug. 1.
Sterling Bankers—60 days	4.84¼— ½	4.84½— ⅝	4.85⅛— ⅜	4.85⅛— ⅝	4.85¼— ⅜
" " Sight	4.86⅜— ½	4.87 -- ⅛	4.87⅛— ¼	4.86⅞— 87	4.86⅞—87
" " Cables	4.86⅝— ¾	4.87¼— ⅜	4.87⅜— ½	4.87⅛— ¼	4.87 — ⅛
" Commercial long	4.83 — ¾	4.84⅝— ¾	4.85¼— ⅜	4.85¼— ⅜	4.85 — ⅛
" Docu'tary for paym't	4.83 — 4	4.83¾— —	4.84¼— 5⅜	4.84⅝— 5⅛	4.84½—85
Paris—Cable transfers	5.16¼—15⅝	5.15 1/16— 15	5.13 1/16—15	5.15⅝— 3/32	5.15⅝—
" Bankers' 60 days	5.18¾—	5.18⅛—17½	5.17⅛—16⅞	5.16⅞—	5.17½—16⅞
" Bankers' sight	5.16⅞— ¼	5.15⅝— —	5.15⅝—	5.15⅝—	5.16¼—15⅝
Swiss—Bankers' sight	5.16⅞—	5.16¼— —	5.16¼—	5.15⅝— 1/16	5.15 3/32— 1/16
Berlin—Bankers' 60 days	94½— ⅝	94¾— ⅞	94⅞—95	95 — 1/16	95⅛— 3/16
" Bankers' sight	95¼— 5/16	95 5/16— ⅜	95 7/16—	95⅛—	95 7/16— ½
Amsterdam—Bankers' sight	40 3/16—	40¼— 5/16	40¼— 5/16	40¼— 5/16	40 5/16—
Kronors—Bankers' sight	26⅝— ¾	26¾— ⅞	26 13/16— 15/16	26⅞—27	26⅞—27
Italian lire—sight	5.16¼—15⅝	5.16¼—15⅝	5.15⅝— 1/16	5.14⅜— 13¾	5.15⅝—15

Bank of England Statement and London Markets.

	Apl. 30, 1908.	May 31, 1908.	June 30, 1908.	July 31, 1908.
Circulation	£28,646,000	£28,[illegible]02,000	£28,992,000	£29,533,000
Public deposits	9,992,000	10,426,000	10,170,000	5,845,000
Other deposits	43,132,000	42,812,000	46,167,000	46,064,000
Government securities	14,314,000	14,575,000	15,237,000	15,047,000
Other securities	29,480,000	28,826,000	30,023,000	28,843,000
Reserve of notes and coin	27,155,000	27,662,000	28,861,000	26,038,000
Coin and bullion	37,350,440	37,674,499	39,226,000	37,120,389
Reserve to liabilities	51.06%	51.90%	51.17%	50.12%
Bank rate of discount	3%	2½%	2½%	2½%
Price of Consols (2½ per cents.)	86 7/16	87 5/16	87¾	86 11/16
Price of silver per ounce	24 5/16d.	24⅜d.	24¾d.	24 3/16d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.	Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31	24⅞	24 3/16
February	30 13/16	30⅛	32⅛	31½	26 9/16	25½	August	30 13/16	29⅞	32 3/16	31⅛		
March	30 7/16	29	32 3/16	30⅝	25 13/16	25 7/16	September	31¾	30 13/16	31 9/16	31⅛		
April	30 9/16	29⅝	30⅛	30	25⅛	24 5/16	October	32 9/16	31 11/16	30⅞	27 7/16		
May	31⅝	30 9/16	31⅛	29 13/16	24 13/16	24	November	33⅛	32	27 13/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝	25⅜	24¼	December	32 5/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.86	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.90	3.96	Ten guilders	3.95	4.00
Twenty marks	4.75	4.80	Mexican dollars	.45	.51
Twenty-five pesetas	4.78	4.82	Peruvian soles	.36¾	.40
Spanish doubloons	15.50	15.65	Chilian pesos	.36¾	.40

Bar silver in London on the first of this month was quoted at 24 3/16d. per ounce. New York market for commercial silver bars, 52½ @ 54c. Fine silver (Government assay), 52⅝ @ 54⅛c. The official price was 52½c.

month. The decline compared with June's last price is ¾d. Silver is now about 7d. per ounce less than it was a year ago.

Foreign Trade.—The foreign trade statement for June, the last month of the fiscal year shows a decrease of $22,000,000 in exports and of $20,000,000 in imports as compared with the corresponding month last year. The exports were $115,000,000, the smallest for June in the last four years. The imports were $92,000,000 or less than in either 1906 or 1907. The excess of exports over imports was $23,000,000, the smallest June excess since 1904. But for the decrease in June the exports for the fiscal year would have exceeded those of 1907, the highest record year. The year's total shows a decrease of $20,000,000. The falling off in imports was much greater, amounting to $240,000,000. The net exports exceeded $666,000,000, the largest balance recorded in any single year. The largest previous record was in 1901 when the balance was in excess of $664,000,000. The gold movement shows an excess of imports of nearly $76,000,000 for the year which compares with $63,000,000 in 1907 and $57,000,000 in 1906. In the three years $196,000,000 of gold, net, has come into the country. The total movement was exceptionally large, $148,000,000 being imported and $72,000,000 exported. The net exports of silver amounted to $13,000,000, the smallest in many years.

National Bank Circulation.—There was a decrease of $6,244,926 in amount of bank notes in circulation last month. The decrease is entirely in circulation secured by the deposit of lawful money, more than $8,355,000 of circulation so secured having been retired. The circulation based on U. S. bonds increased $2,110,465. A little more than $1,000,000 of bonds were deposited to secure circulation, bringing the total to $629,432,420, against which the notes outstanding amount to $625,360,982. There are $66,728,009 additional represented by lawful money on deposit in the Treasury.

Government Revenues and Disbursements.—The government has begun the new fiscal year with a deficit reaching nearly $25,000,000 or almost equal to one-half the entire deficit of the previous year. In June, 1907, the deficit was $11,000,000. The revenues this year are $3,700,000 less than in 1907, while the expenditures increased $10,-

Exports and Imports of the United States.

Month of June.	Merchandise. Exports.	Merchandise. Imports.	Merchandise. Balance.		Gold Balance.		Silver Balance.	
1903	$95,222,846	$81,999,777	Exp.,	$13,223,069	Exp.	$9,740,035	Imp.,	$494,395
1904	93,224,866	81,157,235	"	12,067,631	Imp.,	3,863,689	Exp.,	1,658,223
1905	121,153,486	90,447,245	"	30,706,241	Exp.,	1,881,837	"	2,888,547
1906	125,033,983	100,780,071	"	24,253,912	"	887,312	"	758,374
1907	137,739,630	112,510,215	"	25,299,415	"	21,706,798	"	1,884,053
1908	115,395,031	92,106,930	"	23,285,101	"	5,216,833	"	1,071,178
Twelve Months.								
1903	$1,420,141,679	1,025,719,237	Exp.,	394,422,442	Exp.,	2,108,568	Exp.,	20,086,768
1904	1,460,827,271	991,087,371	"	469,739,900	Imp.,	17,595,382	"	21,708,888
1905	1,518,561,666	1,117,513,071	"	401,048,595	Exp.,	38,945,063	"	21,363,947
1906	1,743,864,500	1,226,562,446	"	517,302,054	Imp.,	57,648,139	"	21,426,523
1907	1,880,851,078	1,434,421,425	"	446,429,653	"	63,111,073	"	13,792,449
1908	1,860,799,097	1,194,341,994	"	666,457,103	"	75,864,609	"	13,350,121

National Bank Circulation.

	Apl. 30, 1908.	May 31, 1908.	June 30, 1908.	July 31, 1908.
Total amount outstanding	$697,645,698	$698,449,517	$698,333,917	$692,088,991
Circulation based on U. S. bonds	625,424,375	624,714,147	623,250,517	625,360,982
Circulation secured by lawful money	72,220,323	73,735,370	75,083,400	66,728,009
U. S. bonds to secure circulation:				
Four per cents. of 1925	15,470,750	15,082,250	14,824,250	14,346,450
Three per cents. of 1908-1918	9,265,700	9,463,440	9,752,440	9,521,940
Two per cents. of 1930	554,263,700	553,837,450	552,863,200	553,813,150
Panama Canal 2 per cents	35,652,780	36,511,520	36,520,740	37,564,380
Certificates of Indebtedness 3 per cent	14,186,500	14,186,500	14,186,500	14,186,500
Total	$628,839,430	$629,031,160	$628,147,180	$629,432,420

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents, of 1925, $7,356,750; 3 per cents. of 1908-1918, $8,566,700; 2 per cents. of 1930, $46,682,050: Panama Canal 2 per cents. $15,127,200; District of Columbia 3.65's, 1924, $2,416,000; Hawaiian Islands bonds, $1,833,000; Philippine loan, $8,540,000; state, city and railroad bonds, $54,611,672; Porto Rico, $736,000; certificates of indebtedness 3 per cent., $———; a total of $145,869,372.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*July, 1908.*	*Since July 1, 1908.*
Customs	$20,605,448	$20,605,448
Internal revenue	21,829,125	21,829,125
Miscellaneous	9,734,882	9,734,882
Total	$52,169,455	$52,169,455
Excess of receipts	*$24,869,438	*$24,869,438

*Excess of expenditures.

Expenditures.

Source.	*July, 1908.*	*Since July 1, 1908.*
Civil and mis.	$20,602,956	$20,602,956
War	18,071,711	18,071,711
Navy	9,645,697	9,645,697
Indians	1,793,227	1,793,227
Pensions	13,884,591	13,884,591
Public works	9,771,036	9,771,036
Interest	3,269,675	3,269,675
Total	$77,038,893	$77,038,893

200,000. Civil and miscellaneous expenses increased $5,700,000, war $3,800,000 and pensions $1,700,000, while for public works there was a decrease of $1,300,000.

United States Public Debt.—The deficit in the revenues last month is reflected in the decrease in the net cash balance in the Treasury from $239,000,000 to $203,000,000 Of this balance $130,000,000 was on deposit in national bank depositaries on July 31. The total debt less cash in the Treasury increased over $20,000,000, and is now about $959,000,000. Since April 1 the increase in the net debt has been nearly $50,000,000. The other prominent changes in the debt statement are a decrease in the national bank note redemption account of $15,000,-000, and an increase in silver certificates of $10,000,000.

Money in Circulation in the United States.—There was only a slight increase in the money in circulation last month, $500,000, or not enough to prevent a reduction in the per capita of 4 cents. A decrease of $5,000,000 in national bank notes and an increase of $9,000,000 in silver certificates were the principal changes.

Money in the United States Treasury.—The net cash in the Treasury increased $7,500,000 last month. The Treasury gained $17,000,000 gold but put out $8,000,000 silver dollars, leaving only about $4,000,000 of these coins now on hand. Other changes were not important.

Supply of Money in the United States.—An increase of $14,000,000 in gold and a decrease of $6,000,000 in national bank notes account for the increase of $8,000,000 reported in the total supply of money last month. The total is still $14,000,000 below the high record of April 1 last.

United States Public Debt.

	May 1, 1908.	*June 1, 1908.*	*July 1, 1908.*	*Aug. 1, 1908.*
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	14,186,500	14,186,500	14,186,500	14,186,500
Total interest-bearing debt	$897,503,990	$897,503,990	$897,503,990	$897,503,990
Debt on which interest has ceased	4,500,695	4,291,305	4,130,015	3,943,745
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	71,162,425	71,879,462	72,459,284	57,393,588
Fractional currency	6,862,814	6,862,814	6,862,814	6,862,374
Total non-interest bearing debt	$424,759,537	$425,476,575	$426,056,397	$410,990,260
Total interest and non-interest debt	1,326,764,223	1,327,271,870	1,327,690,402	1,312,437,996
Certificates and notes offset by cash in the Treasury:				
Gold certificates	846,910,869	825,730,869	819,783,869	818,758,869
Silver certificates	463,778,000	474,054,000	474,350,000	484,054,000
Treasury notes of 1890	5,152,000	5,070,000	4,982,000	4,903,000
Total certificates and notes	$1,315,840,869	$1,304,854,869	$1,299,115,869	1,307,715,869
Aggregate debt	2,642,605,092	2,632,126,739	2,626,806,271	2,620,153,865
Cash in the Treasury:				
Total cash assets	1,839,050,36	1,817,636,025	1,807,352,855	$1,791,038,029
Demand liabilities	1,437,453,373	1,426,702,769	1,417,794,862	1,437,409,856
Balance	$401,596,987	$390,933,255	$389,557,993	$353,628,173
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	251,596,987	240,933,254	239,557,993	203,628,173
Total	$401,596,987	$390,933,255	$389,557,993	$353,628,173
Total debt, less cash in the Treasury	925,167,236	936,338,615	938,132,409	958,809,823

Money in Circulation in the United States.

	May 1, 1908.	June 1, 1908.	July 1, 1908.	Aug. 1, 1908.
Gold coin	$628,168,888	$618,620,761	$614,553,628	$615,788,276
Silver dollars	80,750,394	78,103,331	76,354,933	75,185 134
Subsidiary silver	124,541,160	121,382,852	122,912,990	122,782,736
Gold certificates	817,326,479	783,708,489	788,464,309	784,273,609
Silver certificates	446,257,981	456,668,484	465,581,977	474,690,962
Treasury notes, Act July 14, 1890	5,139,265	5,053,899	4,968,084	4,889,789
United States notes	336,231,579	335,192,274	340,189,838	341,035,382
National bank notes	647,878,555	637,452,199	632,431,530	627,316,659
Total	$3,086,294,101	$3,036,182,289	$3,045,457,289	$3,045,962,547
Population of United States	87,258,000	87,377,000	87,496,000	87,614,000
Circulation per capita	$35.37	$34.75	$34.81	$34.77

Money in the United States Treasury.

	May 1, 1908.	June 1, 1908.	July. 1, 1908.	Aug. 1, 1908.
Gold coin and bullion	$1,011,098,496	$997,393,172	$1,001,666,550	$1,014,511,613
Silver dollars	487,499,588	490,146,651	491,895,049	493,075,848
Subsidiary silver	20,267,842	22,155,411	23,727,308	24,222,649
United States notes	10,449,437	11,488,742	6,491,178	5,645,634
National bank notes	49,767,343	60,997,318	65,902,387	61,772,332
Total	$1,579,082,706	$1,582,181,294	$1,589,682,472	$1,602,228,076
Certificates and Treasury notes, 1890, outstanding	1,268,723,725	1,245,430,872	1,259,014,370	1,263,854,360
Net cash in Treasury	$310,358,981	$336,750,422	$330,668,102	$338,373,716

Supply of Money in the United States.

	April 1, 1908.	May 1, 1908.	June 1, 1908.	July 1, 1908.	Aug. 1, 1908.
Gold coin and bullion	$1,642,565,614	$1,639,267,384	$1,616,013,933	$1,616,220,178	$1,630,299,889
Silver dollars	568,249,982	568,249,982	568,249,982	568,249,982	568,260,982
Subsidiary silver	144,486,463	144,809,002	143,538,268	146,640,298	147,005,385
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	696,407,355	697,645,698	698,449,517	698,333,917	692,088,991
Total	$3,398,390,430	$3,396,653,082	$3,372,932,711	$3,376,125,391	$3,384,336,263

NEW COUNTERFEIT $5 NATIONAL BANK NOTE.

As predicted in the circular letter from this office, No. 276, dated June 24, 1908, a counterfeit on the $5 issue of the State National Bank of St. Louis, Mo., has made its appearance. It bears check letter "C"; series of 1882; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States. Charter number 5172; Treasury number U211240U; bank number 30542. This counterfeit is a photographic production with coloring applied to the numbering, and in its general appearance resembles the counterfeit $5 National Exchange Bank of Springfield, Mo., note, described in circular 276. The principal passer of these photographic counterfeits has just been arrested at Neosho, Mo., and over a thousand dollars of the counterfeit currency captured in his possession.

BUILDING THE EAST FACADE OF THE TREASURY BUILDING, WASHINGTON.

The work of removing the fluted sandstone pillars that form the east facade of the United States Treasury Building at Washington is in progress. The old pillars will be replaced with granite columns of similar pattern. The reason for this work is that the present pillars, because of erosion and disintegration, have become insecure.

This facade of the Treasury was erected in 1838 under the direction of Robert Mills, architect. The second session of the Fifty-ninth Congress appropriated $360,000 "for the repair of the east front of the Treasury Building, including the substitution of granite for the soft stone columns." The granite for the new columns will come from New Hampshire.

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—Charles W. Morse has sent out circulars to depositors of the National Bank of North America, offering to pay them off at par. He is now prepared to pay these depositors in the certificates of deposit, less the amount that has already been paid in dividends, i. e. fifty per cent.

This offer does not include payment of interest since the date of the bank's suspension.

About $1,350,000 remain unpaid, $1,500,000 having been paid already by Receiver Hanna. According to Mr. Hanna's plan, depositors would receive six per cent. interest, but by accepting Mr. Morse's offer they will forego this allowance.

—Eight months after the passing of the financial troubles of last fall, the depositors of the dozen banks and trust companies which closed their doors have received their money, at least in part, or in the case of the few which have not yet reopened or have gone into liquidation, are about to receive it.

The Hamilton Bank, which was one of the first of the institutions in which the Attorney General's department intervened to reopen, has already anticipated all of its deferred payments, which under the original plan were to have extended into November.

The Knickerbocker Trust Company, which was the largest of the suspended institutions, and reopened, like most of the others, under a deferred-payment plan, anticipated the first two deferred payments on June 1, paying then ten per cent., of which one-half, under the original plan, would not have been paid until September.

The Oriental Bank, which was one of the four to close its doors in February, paid its depositors in full preliminary to liquidation. Of the other three which then suspended, the receiver of the National Bank of North America has paid depositors fifty per cent. in dividends, and the receiver of the New Amsterdam National has paid twenty-five per cent.

The Mechanics' and Traders' depositors have practically agreed to a deferred-payment plan, which will be put in force when the percentage of assenting depositors is brought up to ninety.

Of the Brooklyn banks which closed, the Jenkins Trust Company, reorganized under the name of the Lafayette Trust Company, has anticipated payments; the Borough Bank and the Home Bank have reopened, and the Brooklyn Bank and the International Trust Company have reorganized.

—The appreciation that public officials are manifesting in the value of certification as to genuineness of public securities is evidenced by the following list of municipal bonds, which have been prepared under the supervision, and certified as to genuineness, by the Columbia Trust Company during the last few weeks:

Mississippi Co., Mo., Drainage, District No. 14	$205,000.00
Glen Ridge, N. J., School	30,000.00
Waterbury, Conn., Water	10,000.00
Pittsburgh, Pa., 13 issues aggregating	2,652,000.00
Atlantic City, N. J., Park	500,000.00
Atlantic City, N. J., Texas Ave.	40,000.00
Atlantic City, N. J., Mass. Ave.	30,000.00
Atlantic City, N. J., Paving	37,000.00
Nicholls, Ga., Public School	10,000.00
Greensboro, Ga., School	15,000.00
Ossining, N. Y., Assessment	23,374.82
Ossining, N. Y., Street Improvement	39,917.57
Plainfield, N. J., School	95,000.00
Plainfield, N. J., Police Station House	25,500.00
Syracuse, N. Y., Water	1,000,000.00

Little Falls, N. Y., Water	50,000.00
Wilmington, Del., Sinking Fund 4% Loan	30,000.00
Norwood, N. J.. School	10,000.00
Hadley & Luzerne, N. Y., School	23,000.00
East Rutherford, N. J., Sewer..	105,000.00
Waterbury, Conn., Park	250,000.00
Bayonne, N. J., Funding	275,000.00
Bayonne, N. J., School	12,000.00
Ontario County, N. Y., Court House	106,000.00
Ontario County, N. Y., Road Improvement	91,000.00
Rochester, N. Y., Local Improvement	1,000,000.00

The above issues make a total of over $6,600,000.

—The Importers and Traders' Bank has moved into its new building, recently completed, at the corner of Murray street and Broadway.

—Stockholders of the Mechanics' & Traders' Bank have formally voted to reduce the number of directors from twenty-five to twenty and have selected Edward M. Grout, Morgan J. O'Brien and William H. English as trustees of the stock.

—The State Banking Department has granted the application of the Corn Exchange Bank to open a branch in the Hudson Terminal Building.

It has also received tentative application from the Flatbush Trust Co. for permission to open a branch in the Bath Beach section of Brooklyn contingent upon action by the trust company to increase its capital before October 30.

—At a stormy meeting of the board of directors of the Twelfth Ward Bank held on the morning of July 7, president Thomas Simpson and three of the directors handed in their resignations and left the meeting. The directors who got out were John H. Shipway, Thomas Crawford and R. Weber. Since the meeting two directors have been chosen. They are Morris L. Carnegie, nephew of Andrew Carnegie and treasurer of the Carnegie Foundation Fund, and Henry T. Bronson, who is associated with Amos R. Enor.

The Twelfth Ward Bank was founded in 1886 and took rank at once as one of the strongest banks in Harlem, the men behind it being of unquestioned financial standing. In the panic it was found necessary to close the bank's doors on October 23. While the bank suspended payment Bank Examiner Smith, who was put in charge, reported shortly after that it was solvent and in good condition as to its securities, but had simply been unable to raise cash.

At this time John H. Shipway, who is a marble dealer, and Thomas Crawford, a retired real estate man, with Mr. Weber started out to strengthen the bank's cash. They succeeded in interesting Warner Van Norden, president of the Van Norden Trust Co., and made an agreement with him by which he obtained a controlling interest in the bank's stock and deposited with the bank $900,000. On November 20 the bank reopened, deposits of more than $100,000 being made on the first day.

At the time the Van Nordens came into the bank it was announced that the Twelfth Ward Bank would be entirely independent of the Van Norden Trust Company in every way, and it is generally understood that the present trouble in the bank's directorate is due to differences of opinion in the board over the new control.

—It was estimated that the depositary banks by July 7 had paid into the Sub-Treasury upwards of $10,000,000, repre-

senting their proportion of the $45,000,000 of Government deposits which Secretary Cortelyou called in. While the money was not payable until July 15, the city institutions preferred to anticipate the date of surrender because of the prevailing low rates for money. Inasmuch as the banks now have to pay the Government one per cent. interest on public deposits there is scarcely any profit for them in holding Government money in a one and one and one-half per cent. call money market.

—Though the program for the coming meeting of the American Bankers' Association in this city has not been completed the principal speakers have been decided on. Among these are Woodrow Wilson, president of Princeton University; B. E. Walker, president of the Canadian Bank of Commerce, Toronto, and James B. Forgan, president of the First National Bank of Chicago.

It has been decided to set apart separate days for the meetings of the trust company and the saving bank sections, so as to enable those who desire to do so to attend both sessions. The savings bank session will meet September 28 and the trust company and clearing house associations will convene September 29.

Arrangements are being made for a large number of social gatherings and numerous excursions over the state.

—The Lafayette Trust Company of Brooklyn announces that payment of resumption certificates, Series C, due on Aug. 15 next, will be anticipated by a month, and can be made at any of the company's branches upon which the certificates are drawn, on and after July 14 next.

—On July 10 there appeared in Wall Street the first of the new notes issued under the provisions of the new currency law. The note differed in many respects from the old form, was blue in color with new style lettering and seal. It also bore the announcement, "Secured by United States Government bonds or other securities."

It will be recalled that the provisions of the Aldrich currency law included the requirement that the notes to be issued as emergency currency should in all respects be identical with those representing ordinary bank circulation. In compliance with this requirement, the Treasury Department, soon after the enactment of the law, started printing a new form of note which will be used for all future circulation requirements. These notes have been issued to institutions recently organized and are but just now finding their way to New York.

—The stockholders of the Nassau Trust Company of Brooklyn have ratified the increase of capital from $500,000 to $600,000. This is in compliance with the new State law requiring an additional $100,000 for each branch opened by a trust company.

The branch of the Nassau Trust Company is situated at Fulton Street and Red Hook Lane, Brooklyn. It was authorized to issue the new stock at 150. This allows for $50,000 to be added to surplus, making that item now $420,000. The resolution providing for the increased capital leaves the subscription to the new stock subject to the call of the executive committee, and it is stated that this will not be required until next October.

—John A. Noble, for a number of years with the Merchants' National Bank, has been appointed assistant cashier of the Night and Day Bank. President Campbell of the latter institution was formerly cashier of the Merchants' National Bank.

—At the regular meeting of the board of directors of the Mutual Alliance Trust Co., held recently, Paul Schwartz retired as president, and was succeeded by Dr. James H. Parker, former president of the New York Cotton Exchange. Mr. Schwarz has filled the position for many years, and will engage in mercantile business, continuing as a director of the company. Dr. Parker is a director in the National Bank of Commerce and other institutions.

Last year Dr. Parker was again elected president of the Cotton Exchange for the third time, being the only man who has ever been elected to serve three terms in that capacity. When he retired from the cotton trade in the late '80's, he was elected vice-president of the National Park Bank, then president of the United States National Bank until its amalgamation with the Western National Bank; then president of the Produce Exchange Trust Co.; director in the National Bank of Commerce; director in the Panama Railroad Co.; director in the Coal & Iron National Bank, and many other positions of trust. He has served as president of the Southern Society and as president of the New York Club during the many years of his residence in New York.

—One clause of the by-laws drafted for a currency association in New York City, which now wait approval of the secretary of the treasury, stipulates that only banks within greater New York shall be members. It is not expected that the secretary will consent to do this, as the new act provides for admission of outside banks under such conditions. In view of this there is another clause in the by-laws which will permit any bank to withdraw provided it has no currency outstanding at the time.

This action of the local association is taken with the view of putting the banks of this city on record as being opposed to the inclusion of the small banks of outside territories and giving them a voice in an association which should properly represent the banking community of New York City only.

The secretary of the treasury has had this matter under consideration during the past few weeks. It is expected that he will shortly communicate with the organization committee, when a further general meeting of the national banks may be called.

—An increase of over $203,000,000 in the resources of the trust companies of New York State, at the close of business on June 17 last, over the resources as reported for March 25, is shown in a statement given out by the State Banking Department.

The statement is made upon the reports filed with the Department by eighty-eight companies. The total resources reported are $1,272,732,049. On March 25 last eighty-five companies reported resources of $1,-069,604,985.

—Trustees of the Guardian Savings Bank of Brooklyn report that all outstanding claims against the institution have been met and have applied for a surrender of the franchise. This institution suspended during the panic last October with 2,400 depositors and more than $300,000 of deposits.

—In a decision handed down by Supreme Court Justice Kelly, the Williamsburgh Trust Company may open its branch office at Broadway and Stockton Street, Brooklyn. Objections to such an opening were made by the Corn Exchange Bank, which bought the lease and fixtures of the old branch office of the trust company at Broadway and Myrtle Avenue, where the Corn Exchange Bank now has a branch office. The latter bank claimed that when it bought out the branch office at Broadway

and Myrtle avenue it bought the good will of the branch also. This was denied by the trust company. The new branch of the trust company is only one block from Broadway and Myrtle avenue.

—A two per cent. dividend has been declared by the directors of the Home Bank of Brooklyn.

This is the initial payment by this institution, which has been in business slightly more than a year, it having opened on July 22 last. Whether the disbursement is a quarterly or semi-annual one is not stated. According to the report of the bank, under the date of June 17 last, it had deposits of $375,000, and a surplus of $54,270. The institution is located at Pennsylvania and Liberty avenues, and its president is Solomon Rubin.

—Depositors in the suspended Mechanics' and Traders' Bank have received the following letter from John I. Cole, State Bank Examiner:

> Your signature to the deferred payment plan of the Mechanics' and Traders' Bank is absolutely necessary in order to obtain the consent of the Banking Department to reopen the bank. By signing at once you will help us to get the bank open within the next week or ten days. From present indications there is every likelihood that the bank will be in a position to remove restrictions within a short time after resumption, but to obtain permission to open the doors depositors must agree to the deferred payment plan as approved by the State Banking Department. Please sign the inclosed waiver and return at once.

The deferred payment plan runs for sixteen months.

—The Bankers' Trust Company, if present plans are carried out, will be made the agent of the banks in the American Bankers' Association for the issuance of international money orders. The Committee on Express Companies, of which Fred I. Kent of Chicago is Chairman, has for some time been working on plans for the issuance of money orders by the banks in competition with the express companies. A system of domestic bank money orders has already been established, and now it is proposed to issue international money orders as well.

Thomas W. Lamont, a vice-president of the Bankers' Trust Company, has gone abroad to give attention to some of the details in foreign countries connected with this plan. Many banks have felt that the express companies were encroaching upon the business of the banks in issuing money orders, and this movement is intended to obtain a share of this business for the banks.

—The national banks in the territory covered by Group 8 of the New York State

Bankers' Association have taken steps toward the formation of a National Currency Association under the terms of the Aldrich-Vreeland law. Circulars have been sent to all the national banks in this territory, signed by Bradford Rhodes and fourteen other bankers, stating the purpose of these bankers to organize the association and suggesting that the directors of the individual banks pass the necessary resolutions authorizing the banks to apply for membership.

The circular which was sent out explains as follows the action taken at the committee meeting on June 25:

While it was agreed by all that there would probably be no necessity for the association to act this Fall, it was generally acknowledged that common prudence demanded that we should put ourselves in position to take advantage of the provisions of the new currency law. It was also decided that now is the time to organize the association, rather than at a time of financial disturbance, when the mere fact that such an organization was necessary would add to the feeling of distrust which would be natural under such conditions. Your committee believe, therefore, that by perfecting the organization now it will be a means of reassuring the public against any possible fear of a currency famine.

Group 8 includes the banks in the Hudson River counties, from New York City north to the Albany district, among them Westchester, Dutchess, Rockland and Ulster. There are sixty-seven national banks in this territory, and of these, sixty have sufficient capital and surplus to make them eligible under the law to become members of the association.

—H. J. Haas has resigned as secretary and treasurer of the Farmers' and Mechanics' Trust Company to become associated with the Merchants' National Bank of Philadelphia. A host of friends and associates wish him success in the new field he has entered.

—The report of the Guaranty Trust Co., showing its condition on June 30, as compared with June 29, 1907, is striking evidence of growth. The deposits have risen more than $6,000,000 in the year to $54,-079,363. Among the resources of the company are public and other securities to an amount exceeding $27,000,000, as compared with about $14,000,000 a year ago. Foreign exchange is held to the amount of $4,259,-519, as compared with $2,597,964 in 1907, and cash on hand and in bank amounts to $16,028,155, against $6,360,543 last year. The surplus of the institution has increased $500,000 to $6,000,000, and in addition the undivided profits amount to $760,960. The capital of the company is $2,000,000.

—Frank P. Frazier and W. T. Carrington have withdrawn from the Stock Exchange firm of Bartlett, Frazier & Carrington, and the name of the firm has been changed to Bartlett, Patten & Company.

—Under the new law requiring banks to pay one per cent. interest on Government deposits placed in them, the Treasury has received $40,000. This was for the first fifteen days of June, the law going into effect June 15, the date the circular prescribing the regulations went into effect.

On the amount of deposits in banks at that date, June 15, the monthly interest would be $80,000 or $960,000 a year. Since June 15 the deposits have been decreased by $45,000,000.

Under the law the interest is payable semi-annually.

—Those looking after the interests of the Oriental Bank stockholders believe that at the final liquidation of the bank's affairs the stockholders will receive from $175 to $200 a share.

The assets of the Oriental Bank are at present in the possession of the Metropolitan Trust Company, which took them over when it agreed to pay off the depositors of the Oriental. The Oriental Bank closed its doors on January 31, last, and the Metropolitan Trust began to pay off the depositors on March 23. At that time there were about $3,000,000 of net deposits and the terms of the agreement were that the Metropolitan Trust Company was to receive a commission of $200,000 and six per cent. interest on the daily balance of all moneys advanced.

Practically all of the depositors have now been paid. A few absentees have yet to send in their books. As regards the assets, the Metropolitan Trust Co. states that they are being liquidated very satisfactorily. What is left over after the Metropolitan has reimbursed itself for its outlay will be turned over to the stockholders. It is hoped that within six months a sufficient amount will have been realized out of the assets to turn the remainder over to the stockholders.

Hugh Kelly, the former president of the Oriental, and Erskine Hewitt, represent the stockholders and are looking after their interest. They state that the present book value of the stock is $217. This is considered very favorable, since, before the bank's suspension, the book value stood at about $265.

—A. O. Brown & Co., at 30 Broad Street, formerly occupying the northern half of the first floor of the Johnson Building, together with the rear half of the second floor, have made an extensive addition to their space and the offices of the firm now extend throughout the entire length of the building on the first floor and the second floor space is also retained. The Broad Street end of the first floor is given over to a directors' room, private offices and a customers' room, all done in chestnut in the style of the British renaissance, with rich and beautiful fittings in harmonious accord. The floors are of oak parquet, with interlocked rubber in the board room, and the furniture was built to blend in the general effect. The rear half of the main floor has been especially equipped for the firm's big bookkeeping department, while the space on the second floor is being converted into telegraph offices. The quotation board in the customers' room is said to be the finest ever built.

—Plans for the new home of the Union Dime Savings Institution, to be erected at the northwest corner of Sixth Avenue and Fortieth Street, at a cost of $225,000 have been filed by Alfred H. Taylor, architect. The building will be novel in these days of skyscrapers because it will have only one story.

Facing Bryant Park on a plot 100 feet square, the structure will be of granite and limestone in the Italian style. It will be lighted by great arched windows and a dome. There will be a central entrance, with a cornice and pediment flanked with granite pedestals supporting bronze pillars carrying candelabras. The interior will be finished in marble and bronze, with Corinthian columns supporting a rich cornice.

Charles E. Sprague, president of the bank. said it was not expected that the institution would leave its present quarters at Broadway and Thirty-second street before early in 1910.

"We have been thirty-two years in this location," said Mr. Sprague, "and have witnessed wonderful changes and a phenomenal rise in land values. We purchased this property in 1876 for about $225,000 and sold it three years ago to the City Investing Company for $1,000,000."

—The North Side Bank of Brooklyn will increase its capital from $100,000 to $200,000 through the declaration of a stock dividend of one hundred per cent. to be paid before October 1. This increase is in accordance with the new law in respect to additional capital for each branch. The bank

now clears through the National Park Bank of New York.

—The State banks of New York, according to figures compiled by the State Banking Department based on the call of June 17, showed between March 25 and the date of the June call a gain of over $12,900,000 in cash, an increase of $10,200,000 in loans, and an increase of $12,000,000 in deposits, and of over $12,400,000 in the amount due other banks. The securities held by the banks showed an increase from March to June of a little over $4,000,000.

—An examination and comparison of the last published statement of the Knickerbocker Trust Company, with the one given out March 26, the day of reopening, will disclose a splendid growth and development. When the company resumed business on March 26, prepared to satisfy all depositors and creditors, it had on demand $14,045,507 cash; today this asset has been reduced to $9,594,099, but the surplus and undivided profits have increased $59,673 in the meantime.

Deposits have increased $4,295, which is more than holding their own against the withdrawals made since the reopening.

—The Battery Park National Bank, after three and a half years of rapid growth has decided to seek larger and more suitable rooms in the Produce Exchange Building. Accordingly, plans are now being made to that end, and the bank expects to be in the new quarters by Labor Day.

NEW ENGLAND STATES.

—The gain of nearly $13,500,000 in deposits of the nineteen Boston clearing house banks during the first week of July makes a grand total for deposits of $241,278,000, a figure never before reached by Boston banks. The highest previous record was in April, 1905, when total deposits of the clearing house banks amounted to somewhat over $232,000,000.

—Charles P. Blinn, Jr., formerly assistant treasurer of the Ctiy Trust Company, has assumed his new duties as vice-president of the National Union Bank of Boston.

—Contracts have been let by the Old Colony Trust Company of Boston for the erection of its new building which will be located on the corner of Court Street and Franklin Avenue. The new structure is to be three stories in height with basement for safe deposit vaults. White granite goes into its construction, and the entire building when completed will be used by the Old Colony Trust Company. The cost of the new structure will be $500,000 exclusive of the ground on which it will stand.

—Charles A. Vialle and Henry D. Forbes, formerly president and cashier, respectively, of the National Bank of the Republic, have been elected vice-presidents of the National Shawmut Bank of Boston. The latter, it will be recalled, a short time ago absorbed the National Bank of the Republic of that city.

—Seventy members of the Savings Bank Treasurers' Club of Massachusetts and their wives held tneir annual outing July 17, taking a cruise along the North Shore in the steamer Winthrop. At noon the party disembarked at Bass Point, Nahant, where a banquet was held at the Relay House. The arrangements were in charge of secretary Francis Whittemore of Gardner, president Frederick C. Nichols of Pittsfield, vice-Presidents G. A. Beal of Abington and William H. Pitman of New Bedford and treasurer Joseph W. Temple of Spencer. At 2 o'clock the party re-embarked on the Winthrop, cruised along the North Shore and returned to Boston in the evening.

—The semi-annual directors' meeting of the New Britain Savings Bank of New Britain, Conn., was held July 14 and an encouraging statement was made. The report shows that the deposits are about normal, and there is little difference from the last report. The market value over the book value of the stocks and bonds has been increased $10,000. Net earnings of the bank for the half year were about $123,000. The amount paid out in the two per

cent. dividend was $107,400. The sum of $7,900 was added to the surplus and the amount of withdrawals in excess of deposits is fifty per cent. less than they were for the first thirteen days of July in 1907.

—Allen Curtis, of Curtis & Sanger, was recently elected vice-president of the State National Bank of Boston. Mr. Curtis has been serving as a director for a number of years.

—An option on a piece of desirable property has been secured by the Home National Bank of Brockton, Mass., the ultimate result of which will be the clearing away of the two wooden buildings now on the land and the erection of a building to be used exclusively by the bank. Although the papers have not passed, it is understood that the option will be exercised within a comparatively short time. The bank officials have not decided on building plans, but it is understood that the building will be a modern, one-story structure which will be used solely by the bank.

—The annual meeting of the Mechanics' Savings Bank of Hartford, Conn., was held July 16, when the following officers were elected:

President—Henry C. Dwight.

Vice-Presidents—John G. Root, George A. Fairfield, Frederick R. Foster.

Secretary and treasurer—Ward W. Jacobs.

Teller—William A. Willard.

Finance Committee—Henry C. Dwight, Ward W. Jacobs, John G. Root, James H. Knight, Frank C. Sumner.

Auditors—Frank H. Tallman and Charles D. Riley.

The semi-annual report of the treasurer, Ward W. Jacobs, showed the following figures:

Received from depositors, including interest credited, six months ended July 1, 1908	$687,552.95
Withdrawn by depositors, same period	677,289.16
Increase in deposits	$10,263.79
Accounts opened six months ended July 1, 1908	653
Accounts closed same period	582
Increase in number of open accounts	71
Deposits July 1, 1908	$6,356,566.13
Surplus and profit and loss	268,367.63
Total	$6,624,933.76
Total number of depositors	14,116

—The conference arranged by the last session of Congress for a discussion of the financial situation of the country by which it is hoped to arrive at the legislation necessary to remedy the financial needs not provided for under existing laws, was opened in the Imperial Hotel, Narragansett Pier, R. I., July 20, by the members of the National Monetary Commission, appointed under authority of the new currency law.

The commission as originally appointed consisted of eighteen members, but several sent word that they would be unable to be present at the meetings. Senator Nelson W. Aldrich of Rhode Island presided at the first meeting. But eight members of the commission were present; Senators Aldrich of Rhode Island, Hale of Maine, Teller of Colorado, and Money of Mississippi, and Representatives Weeks of Massachusetts, Bonynge of Colorado, Smith of California, Padget of Tennessee, and Pujo of Louisiana. Not much has been learned of the result of the other sessions held, but it is generally thought that the Aldrich-Vreeland law, with a few more patches applied to it will have to do service as a permanent currency measure.

A sub-committee headed by Senator Aldrich, is now in Europe to make investigations along the line of currency reform, which, however, it is not expected to make much use of when the time shall come for it to report.

—The First National Bank of Boston has made a big gain in business since the May 14 statement. Deposits show an increase of $5,145,001, and are now $53,534,207. That is a gain of nearly $12,000,000 since the February 14 statement, and is indeed a creditable showing. Resources are $60,992,803, an increase from $56,706,464. Notes discounted are $20,487,363; demand loans, $11,626,143; cash and due from banks, $23,418,334. The capital is $2,000,000; surplus and undivided profits, $3,047,195.

—H. Wadsworth Hight has been appointed an assistant treasurer of the City Trust

Co. of Boston. His promotion is merited and he is well qualified to fill the office given him.

—A dividend of twenty-five per cent., payable to the depositors of the Jewelers' National Bank of North Attleboro, Mass., which closed its doors on December 18 last, has been declared. The dividend will amount to $164,125 and will make eighty-five per cent. of the total deposits returned.

—At the annual meeting of the Union Savings Bank of Danbury, Conn., the following officers were elected: President, Samuel C. Holley; vice-president, John H. Fanton; trustees, G. E. Chichester, L. L. Hubbell, C. D. Ryder, E. S. Fairchild, George B. Fairchild, H. B. Scott, F. M. Thompson, Henry Bernd, Fred B. Dalton; secretary and treasurer, L. L. Hubbell; assistant secretary and treasurer, G. Fred Lyon.

The annual report of the standing of the bank's affairs showed that in spite of the so-called financial depression of the year, the number of depositors had increased by 245, and number of depositors at present is 6,954, holding deposits of $2,273,407.08.

EASTERN STATES.

—At a meeting of the directors of the German National Bank of Pittsburgh, held

W. W. RAMSEY

President German National Bank, Pittsburgh.

July 7, W. W. Ramsey was elected president of the bank to succeed E. H. Myers, deceased, and A. A. Frauenheim and Chas. A. Fagan were elected vice-presidents. Robert E. Reed was chosen as assistant-cashier. The new president, who had been vice-president for some time, has been connected with the bank since 1899, at which time he was elected cashier.

Mr. Ramsey was born in Hookstown, Beaver county, April 8, 1865, and soon after he finished his schooling he entered the banking business and has since devoted his time to that calling. He was first connected with the Penn Bank as messenger. He remained with the Penn Bank a year and then went to the Second National Bank as messenger and remained with that institution fifteen years, occupying various positions till he was chosen assistant-cashier. He occupied that position when elected cashier of the German National Bank.

During the month of July the city of Pittsburgh deposited $250,000 in the German National Bank which was elected a city depository to succeed the Allegheny National Bank.

The bank has furnished bonds totalling $750,000 as security and will be entitled to receive deposits equal to that amount.

—Group 3 of the Pennsylvania Bankers' Association met in Allentown, Pa., July 23. The sessions were interesting and well attended. There are about eighty members, but a number of Philadelphia bankers were present.

—It has been positively announced that depositors of the Allegheny National Bank of Pittsburgh will be paid in full. Neither the state nor the city, the largest depositors, the former having $532,000 tied up in the bank and the latter $1,532,000, have done anything that would work an unnecessary hardship on the director-bondsmen, and for this reason the settlement can be made.

—Depositors and other creditors of the Iron City Trust Company of Pittsburgh have received the full amount of their claims, with interest. Shareholders will fare very well in the final wind-up. An installment of fifty per cent. has been paid to creditors of the Fort Pitt National Bank, and the balance will be paid in a reasonable time.

—The building of the Enterprise National Bank of Allegheny, Pa., which was wrecked by the late T. Lee Clark, who was alleged to have misappropriated nearly $2,000,000 of its funds, has been advertised for sale as among the last of the assets. Only about twenty-five per cent. of their claims have been paid to the depositors in general, although the state, on account of being well secured by bonds, got all of its money.

The bank building is located at Franklin

street and Beaver avenue, North Side. There is a small amount of real estate in addition to this that will be sold later. No statement has been given out as to when the next dividend will be paid to depositors.

—Having lost about $10,000,000 during the last few years through dishonest employes, the bankers of Pittsburg are framing a bill, to be presented to the next Congress, providing that stockholders of national banks be assessed a small amount each dividend day, to be deposited into a fund with the United States Treasury, from which depositors would be paid to make up any shortage from such causes.

—Because of "persistent and continued" disregard of the banking laws, the National Deposit Bank of Philadelphia was closed July 14 by order of the Controller of the Currency. In a measure the action of the Government came as a sequel to the failure of the Manasquan National Bank of Manasquan, N. J., following which its head officer, president McGee, killed himself. President Peet of the Philadelphia bank was formerly president of a corporation that was heavily indebted to the New Jersey bank, and it was this indebtedness that is believed to have been the cause of that crash.

It is believed the institution is solvent, and will resume business as soon as the Government has enforced a needed housecleaning and launched it along more conservative and improved lines. Milton C. Elliott has been appointed receiver.

This is the first time in the history of this Government that a bank has been compelled to suspend for violations of this kind. The Deposit Bank has not kept required reserves, and it is also indebted to the United States on its five per cent. redemption fund. The National Deposit Bank is a small concern, organized several years ago, and its deposits have never reached a very large sum.

—Directors of the First National Bank of Sharon, Pa., have declared a dividend of six per cent. and increased the bank's surplus fund by $25,000, making its surplus and undivided profits equal to the paid up capital which is $125,000.

—Under a decision of the court, the city of Philadelphia has negotiated a loan of $600,000, temporarily, and the Girard Trust Co., the Fourth Street, Philadelphia, and Franklin National Banks have furnished the money.

—J. Hampton Moore, receiver of the City Trust, Safe Deposit & Surety Company of Philadelphia, which failed several years ago, on July 16 filed his third account in the settlement of the company's affairs, under which he hopes, with the aid of some funds yet to be collected, to make a payment of twenty per cent. to depositors. This will bring the total distribution up to more than eighty per cent.

The third account covers a period of fifteen months and shows a total sum for distribution amounting to $276,482.09. The amount distributed under the first account was $719,000 and under the second $333,000. The expenses of conducting the receivership in the last fifteen months were $9,-977.84 and the receipts $46,121.44. During this period the receiver closed out several suits and wound up the receiverships in New Jersey, New Hampshire and Massachusetts. The New York receivership is still pending. Mr. Moore hopes to recover several claims in litigation, including the Boston dry dock case, which is now ready for argument in the Court of Claims at Washington.

An interesting phase of the receivership in the last year was the destruction by fire of about 50,000 character records which had been kept in the vaults of the City Trust Company and were later removed to a storage warehouse. They told the life story of rejected applicants for surety bonds, and as they were of no further use, Mr. Moore, in order to save the expense of storing, procured an order from the Court to have them destroyed. There were several dray loads of the documents.

—The Treasury Department has modified the order of May 29 last in regard to the manner of payment for deposits of gold dust and bullion at United States mints and assay offices. On that date instructions were issued that payments for deposits of gold bullion on and after June 10 should

be made in coin or bars, or by check on the local Sub-Treasury or depositary bank. This was the cause of a good deal of dissatisfaction on the part of large depositors in the western institutions.

The Secretary of the Treasury has now given instructions that the practice of making payment for gold bullion deposited at the mints and assay offices in vogue prior to June 10 be resumed; that is, in coin or bars, or by check on local depositaries, or the assistant treasurers, at New York, Philadelphia, Chicago, St. Louis or San Francisco.

—Dividends paid by the banking institutions of Allegheny County, Pa., since July 1 aggregate $1,650,000, in divisions as follows: Pittsburg national banks, $660,000; Pittsburg State banks, $134,658; Pittsburg trust companies, $668,647; banks of McKeesport, Homestead, Braddock and other districts of the county, $187,256.

—The Mifflinburg Bank of Mifflinburg, Pa., has declared its usual semi-annual dividend of five per cent. Its surplus is now equal to the capital stock, and it carries $21,000 as undivided profits. The number of directors has been reduced from eleven to nine.

—Every bank in Buffalo was represented at the birthday celebration of the American Savings Bank July 1, and the members of the banking fraternity listened to a powerful and manly address by Clark Williams, State Superintendent of Banks. The speech evoked a round of favorable comment.

It was a delightful occasion and all who came in honor of the bank's first anniversary seemed to enjoy every moment of the afternoon.

In the evening president H. A. Meldrum entertained the trustees, Superintendent Williams and Senator Hill at an informal dinner at the Buffalo Club.

—A new organization, composed of sixteen savings banks of New Jersey, was formed on June 25, when representatives of sixteen banks met at the Hoboken Bank for Savings.

The objects of the organization are the general welfare of savings banks of the state, the securing of proper consideration of all legislative action affecting such institutions, and the discussion of all subjects relating thereto. The officers as elected are: President, Charles S. Schultz, president of the Hoboken Bank for Savings; vice-president, Adrian Lyon, president of the Perth Amboy Savings Institution; and secretary and treasurer, Ralph T. Crane, treasurer of the Montclair Savings Bank. The following executive committee was also chosen: Horace Stetson, vice-president Half-Dime Savings Bank, Orange; Philander B. Pierson, president Morris County Savings Bank, Morristown; Garrett D. W. Vroom, president Trenton Savings Fund Society; L. M. Coddington, manager Somerville Dime Savings Bank; Merritt G. Perkins, president Franklin Savings Institution, Newark, and John Headden, president Hudson City Savings Bank, Jersey City.

—A new building has been designed for the Mechanics' Savings Bank of Washington, D. C., that will not only furnish the additional facilities which the business demands, but will also contribute its quota to the adornment of the neighborhood. The institution, which is not quite two years old, is now located at 703 8th Street Southeast, so that when the new structure is completed and the bank takes possession there will be no change of location.

According to the plans, made by Harding & Upman, architects, the building is to be two stories high, with, of course, provision for the banking room on the first floor and with the entrance at the corner. Access to the offices on the second floor will be by means of an entrance from G Street. The building will be finished above the cornice line with a parapet wall and will have a pillared porch at the main entrance, with carving in the pediment above the doors, the latter being finished as bronze, with an iron grille.

In the pediment at the top of the building will be found the name of the bank and in the frieze will be the date of incorporation. The material used in working out the design will be granite at the base and stone of light shade and brick for the superstructure. A touch of color will be given to the exterior by the tiling of greenish shade which is to be inlaid in the cornice. Flanking the entrance porch, the pediment of which will be supported by two stone columns on each side, will be blocks of stone, on which will stand two ornamental lamp posts.

—George C. Van Tuyl, Jr., formerly vice-president of the Albany (N. Y.) Trust Company, was recently elected president of that institution.

A late statement shows the company to have $4,748,926 of deposits and the bank is in other respects stronger than ever.

MIDDLE STATES.

—Organization of the West Chicago State Bank, with a capital of $50,000, has been completed through the election of C. E. Bolles, president; W. Einfeldt, vice-president; C. E. Smiley, cashier, and C. B. Clark, W. T. Reed, F. E. Hoover, J. J. Fye, B. Ahearn, and E. A. Cummings the other directors.

—Stockholders of the defunct Federal National Bank of Chicago have now received sixty-five per cent. of their original paid-up capital.

—National banks in Chicago, reporting their condition as of the close of business July 15, show a record total of deposits. The sixteen national institutions held an aggregate of $361,911,723, an increase of nearly $8,000,000 over the amount reported in May and an increase of about $31,000,000 over the amount held in August last year.

In the period from May 14 to July 15 the national banks of the city increased their loans $4,750,000 and their cash means $1,800,000.

The following table shows the aggregate changes in the deposits, loans and cash means of the sixteen national banks between the dates of the last two calls:

	Deposits.	Loans.	Cash Resources.
July 15...	$361,911,723	$230,723,376	$152,324,622
May 14...	354,051,236	225,967,836	150,495,718
Increase...	$7,860,487	$4,755,540	$1,828,904
Per cent..	2.2	2.1	1.2

—R. C. Keller, state bank examiner of Illinois, has resigned his office to become cashier of the Colonial Trust & Savings Bank of Chicago, succeeding G. H. Coney, resigned. He entered upon his new duties August 1.

—On July 7 the directors of the State Bank of Chicago met and elected John R. Lindgren (since 1891 its cashier) to the vice-presidency, and Henry S. Henschen (since 1901 the assistant-cashier) to the cashiership.

This election gives the State Bank two vice-presidents, as L. A. Goddard, formerly president of the Fort Dearborn National Bank of Chicago, has been recently elected to that office.

—While definite plans have not been decided upon for the proposed new Continental National Bank Building at the southwest corner of La Salle and Adams Streets, Chicago, present plans contemplate a lofty bank and office building, probably twenty stories high.

It is planned to begin the work of tearing down the present ten story building May 1 next at the expiration of existing leases, when the bank will move into the banking rooms in the Rookery Building now occupied by the Corn Exchange National Bank, which soon will move into its new building, and will occupy them during the construction of the building.

The building will occupy leased ground belonging to the Loomis institute with a frontage of 165 feet on La Salle and a depth of 60 feet of Adams Street. The lease runs to 1983 at an annual rental of $20,000. The present building was valued by the board of review at $221,000 and the ground at $981,428.

The bank has been figuring on a new building for some time and two years ago nearly concluded arrangements by which it was to acquire by lease the Rand-McNally Building property, 100x165 feet, adjoining on the west on Adams Street, upon which and the corner or Loomis property it planned to erect a great office and bank building. The plan had to be abandoned, however.

The bank's determination to build now is said to have been hastened by the present low prices of building materials, which permit of a saving of fifteen to twenty per cent. over a year ago.

—Disbursements in dividends by sixty banks in Chicago for July were $1,395,000, in addition to nearly $2,000,000 distributed as the half-yearly interest on savings deposits at the rate of one and one-half per cent. on the deposits.

One new dividend-payer has been added to the list of national banks—the National City—which started off with a first payment of one and one-half per cent. Among the State banks there are few changes, one of them being an increase in the rate of the State Bank of Chicago from two and one-half to three per cent. for the quarter, and another, the increase in the Union Trust rate to four per cent. for the half-year.

The largest dividend to be paid by a single bank in July was $240,000, or three per cent., on the $8,000,000 capital of the First National. The Illinois Trust paid out $200,000 as a four per cent. quarterly dividend on its $5,000,000 capital. The four extra quarterly payments of one per cent. each on the stock of this bank are sandwiched in between the regular payments.

—Officers of the National Bank of the Republic of Chicago have engaged architects to prepare plans for the remodeling of their banking-rooms, which will include all of the second or banking floor of the New York Life Building. The additional space the bank will take is now occupied by the insurance offices of Fred S. James & Co. The expansion is necessitated by the growth of the bank, which now has about $21,000,000 of deposits. The bank's shares have advanced in price recently, the last sale of stock being at 186 and the present bid price 188.

—Savings accounts carried on July 16 by the forty-two state banks of Chicago indicate that deposits are beginning to get back to normal, although the progress of upbuilding is slow. These institutions reported an aggregate of savings amounting to $145,920,457. The third and corresponding call last year came on May 21, when the forty-two local banks showed savings accounts of $161,302,484. The loss amounts to $15,382,027, or 9.55 per cent. However, the work of restoration has begun, for the reports just issued show a gain since the previous report, May 12, of $1,528,260, or 1.06 per cent. In the interval between that report and the previous one, which fell on February 15, the state banks lost savings accounts of $319,530.

—Quite recently the First National of Detroit, Michigan, installed the door to its new safety deposit vaults. In order to lower the door, which weighs forty-one tons, into the basement, it was necessary to tear out the sidewalks and build a trestle-work track.

The cost of the door is said to be $50,000 and nothing short of an earthquake can ever penetrate into the department where the safe deposit boxes are to rest.

—The fourteenth annual convention of the Wisconsin Bankers' Association convened at Milwaukee July 15 and 16.

It was well attended and many helpful addresses were delivered by prominent speakers.

John J. Sherman, president of the association, struck a key that found unanimous approval, when he said during the course of his remarks: "The country is on the edge of a period of the greatest prosperity it has ever enjoyed.

"There isn't a sound reason to say the contrary, and there are any number of sound reasons for saying great prosperity is assured, that is, if one considers the situation in a clear, dispassionate light, and with mind unbiased."

—It is reported that the new Italian Bank of Milwaukee, Wis., with the Italian Consul, Count Arminio Conte at its head, is in a flourishing condition just now. The bank is conducted as a mutual savings institution, the first of its kind in the Northwest, and has the support of the Italians, for whom it was organized.

—The new Kent-State Bank of Grand Rapids, Mich., formed through the consolidation of the State Bank of Michigan and the Kent County Savings Bank of Grand Rapids, began operations on July 1. The institution has a capital of $500,000 and a surplus of $150,000. Henry Idema is president of the consolidated bank. The other officers are: Daniel McCoy and John A. Covode, vice-presidents; J. A. S. Verdier, cashier; Caspar Baarman, auditor; A. H. Brandt and Gerald McCoy, assistant cashiers.

—For the first time in the history of the Chippewa Indians of Northern Wisconsin, they now have an even $1,000,000 on de-

posit in the banks of Ashland, Hudson and Duluth.

In addition the Indians have claims against the Government aggregating $300,-000, representing the difference in value between the sums paid them in green-backs for their treaty claims in war times and the gold value.

—At a recent meeting of the directors of the German-American National Bank of St. Joseph, Mo., R. R. Calkins was promoted from the office of cashier to the office of vice-president. Walter W. Head, a state bank examiner, was elected cashier to succeed Mr. Calkins.

Mr. Calkins has been with the German-American Bank about twelve years. He has gradually worked his way from a minor position through the offices of paying teller, assistant cashier and cashier to his present place as vice-president. The bank now has three vice-presidents—Henry Krug, Jr., J. G. Schneider and R. R. Calkins.

Mr. Head was a receiving teller at the German-American about five years ago. He left that institution to become cashier of the DeKalb State Bank at DeKalb, Mo. He remained there until appointed state bank examiner three years ago by John E. Swanger, secretary of state.

The officers of the German-American bank are now: William Krug, president; Henry Krug, Jr., vice-president; J. G. Schneider, vice-president; R. R. Calkins, vice-president; Walter W. Head, cashier; A. H. Bansbach, assistant cashier; John Donovan, director.

—Articles of incorporation have been filed for the Peoples Savings Trust Co. of University City, a suburb of St. Louis. The institution has been formed by E. G. Lewis, president of the former Peoples United States Bank, to take the place of that bank, which was forced to close by the Government. The company has a capital of $100,-000, with $25,000 subscribed and $12,500 paid up.

—The Commonwealth National Bank, with a capital stock of $2,000,000 and a surplus of $1,000,000 will be organized by the officers of the Commonwealth Trust Co. of St. Louis, Mo., and the new institution will occupy the present quarters of the trust company, the latter moving to 308-310 North Broadway.

The proposition has been submitted to the stockholders in the trust company and they have signified their intentions of taking as much stock in the concern as they hold in the old one. The plan has been under consideration for several months.

The trust company at present has a surplus and individual profits sufficient to cover the sum required for the capital and surplus of the new bank, so that no additional money investment will be required.

—Deposits in the eight banking institutions of Sioux City, Iowa, have increased $437,075.18 within the last three months, according to the quarterly statements published in July. There were $11,089,104.14 in deposits in these eight financial institutions on July 14, while the total deposits given in the previous reports on May 14 were $10,652,028.96.

The increase in deposits from February 14 to May 14 was but $112,238.82, making the increase within the last quarter four times as great as that of the preceding three months.

—A committee has been appointed by the business men of Truesdale, Iowa, to further arrangements for a bank in that place. The committee states that the community is greatly in need of a bank and could supply a good bank building with fixtures which could be rented, or material would be furnished at cost for a new building. It is also stated that Truesdale lies in a good farming community and has important adjacent territory.

—The Fountain Square State Bank, of Indianapolis, Ind., has opened for business. It is located in a well equipped building, just constructed, fitted with every convenience and appliance for comfort and safety.

The officers of the bank are Geo. G. Robertson, president; Henry E. White, cashier, and H. R. Martin, J. Walter Dunn, W. B. Paul, F. J. Myers, Wm. Nackenhorst, H. E. White, and G. G. Robertson, directors.

—The directors of the National Bank of Ashtabula, Ohio, met July 3 and very reluctantly accepted the resignation of cashier B. B. Seymour, to enable him to assume the duties of head of the State Banking Department, to which he was appointed by Governor Harris of Ohio, and elected as his successor Herbert R. Faulkner, who has been identified with the institution for over eighteen years, having by reason of his capability and diligence been advanced from lower stations to that of assistant-cashier, in which office he served with great acceptance for several years.

—Claverly Morris has resigned as president of the Cleveland (Ohio) Trust Company and Frederick H. Goff has been elected as his successor. Some time ago Mr. Morris advised the executive committee of the institution that he had determined to lay down his duties as president this year, and since that time the board has been considering the selection of an active ex-

ecutive head for the bank with its fifteen branches, 70,000 depositors, and over $30,-000,000 in assets. Mr. Morris will still be connected with the bank as a director and as chairman of the board, a position which was created for him at his resignation as president.

—Owing to a run that gradually drained its vaults of currency, the Farmers' and Merchants' Banking Company of Cleveland, Ohio, failed to open its doors July 17. Later a deed of assignment was filed in the insolvency court and Edward S. Purney was appointed receiver.

The bank was capitalized at $100,000. The assets and liabilities are each estimated to be about $500,000. It is said the securities of the bank, when realized upon, will be sufficient to pay all depositors in full.

—The Guardian Savings & Trust Co. of Newark, Ohio, has adopted its new title, namely, the Park National Bank, the change having been authorized by the Comptroller. The capital is $100,000 and the officers are: A. G. Wyeth, president; A. R. Lindorf, vice-president and W. W. Gard, cashier.

SOUTHERN STATES.

—Recently the First National Bank and the City Savings Bank and Trust Company of Vicksburg, Miss., occupied their new quarters in the First National Bank Building in that city.

Home of the First National Bank, Vicksburg, Miss.

It was an occasion of pleasure and gratification to the officials of the two allied institutions, as hundreds of people viewed the new rooms and complimented their handsome appearance. Depositors who called at the savings department were favored with attractive souvenirs.

The banking rooms are beautifully finished in satin mahogany and marble. The cashier's department is most conveniently

arranged, having call bells for every department and other modern conveniences. Next is the division for exchange, then follow in order the departments for the note clerk,

B. W. GRIFFITH

President First National Bank, Vicksburg, Miss.

collector, collections, receiving teller, bookkeeper, paying teller, etc. It will be noticed that the First National has both a receiving and a paying teller. Back of these offices is that set apart for the savings bank.

Far in the rear is a handsomely fitted up directors' room. There is also a room fitted up for the ladies, and this is one of the most attractive features of the bank.

The main vault has double doors and is considered one of the best in the South. Inside this are several separate safes, the combination making everything as safe as can be and in addition insuring against any great loss should anything go wrong. The bank has three hundred safe deposit boxes and in order to expedite business has purchased three adding machines which cost $375 each. In the vault underneath the bank every precaution has been taken to insure safety.

Both of the banks are looking forward to a prosperous career. Their officers are as follows:

B. W. Griffith is president of the First National and vice-president of the City Savings and Trust Co.; A. Rose is vice-president of the First National and president of the City Savings and Trust Co.; W. T. Burnett is also a vice-president of the First National Bank; J. M. Phillips is cashier of the First National and R. Griffith is secretary of the City Savings and Trust Co. President B. W. Griffith was formerly cashier of the Capital National Bank of Jackson, Miss. In 1893 he assumed the presidency and management of the First National Bank of Vicksburg, whose capital was then $100,000, with deposits of $175,000. The bank is now capitalized at $300,000 and has an earned surplus of $175,000, with deposits of nearly a million dollars.

J. M. Phillips, the present cashier, is the only one of the officers who has been with the bank since its organization in 1884. In 1888 he was made assistant cashier and these duties he performed faithfully for nine years. In 1893 he was made cashier, which position he still holds.

J. M. PHILLIPS

Cashier First National Bank, Vicksburg, Miss.

—Under the provisions of the Aldrich-Vreeland Currency bill, the Atlanta National Currency Association was organized July 7, by eighteen north Georgia banks having a capitalization of $8,500,000. The following officers were elected: President, R. J. Lowry, president of the Lowry National Bank, Atlanta; secretary, Joseph A. McCord, Atlanta; treasurer, W. L. Peel, Atlanta.

—When the Glennville Bank, of Glennville, Ga., was forced to close its doors several months ago it had $25,000 capital; to-day the bank is open and doing business with a capital stock of $40,000.

J. W. Delk has been secured for the position of cashier, and H. J. Banks will officiate as president. Both are experienced bankers.

—At the semi-annual meeting of the board of directors, the Lumbermans National Bank of Houston, Texas, declared its first annual dividend of six per cent., amounting to $24,000, and carried $12,500 earnings to undivided profits. In addition to this, the bank has $100,000 surplus, paid in at the time of organization. The bank has only been in business a little more than one year, and that it should be able to pay a dividend and carry forward a substantial balance to undivided profits from its first year's operations is gratifying to its stockholders, and speaks well for the management of the bank. Especially is this true when the strenuous conditions existing during six months of that time are taken into consideration.

Although a new institution, the Lumbermans Bank went through the panic of 1907 just as though it had been used to such trying experiences for many years, and its customers were well cared for during those critical times. Early in January the bank moved into its handsome new quarters, corner Main street and Prairie avenue. where its business has continued to expand and its patrons to increase in number. Few banks have been able to make such a substantial record in so short a time.

—The members of the Texas State Bankers' Association have put themselves on record as opposed to the deposit guarantee plan as incorporated in the Democratic platform for 1908. The vote taken resulted in 210 favoring as against 282 opposed.

—One year ago on the Fourth of July the Union Bank and Trust Company of Houston, Texas, gave an all-day public reception at their handsome office on the corner of Main street and Franklin avenue. Several thousand people passed through, and everybody was treated to cold orangeade and grape juice. This year the program was changed and the corps of clerks were allowed to take advantage of the day.

The deposits of this popular institution one year ago were about $3,500,000, and despite the fact of a panic during the latter part of 1907. the deposits since that time have increased nearly $1,000,000.

—Several important changes have occurred in the official staff of the Merchants National Bank of Houston, Texas. Camille G. Pillot has been made president to succeed I. H. Kempner, who has retired. Mr. Pillot has for some years past been a vice-president of the bank and is therefore well qualified to assume the more responsible duties of the presidency. John T. McCarthy, of Galveston, has been elected cashier, to succeed W. H. Hurley, who recently resigned to accept a position in Chicago.

—At a regular monthly meeting of the Prudential Trust Company of Topeka, Kansas, held July 1, the semi-annual dividend was declared. The directors accepted very reluctantly the resignation of W. W. Bowman, the treasurer, who is forced to give up his position that he may devote his entire time to the arduous duties as secretary of the Kansas Bankers' Association, which position he has filled for the past five years.

Mr. Bowman was the company's first treasurer and has made many friends since coming to Topeka. He is the best known banker in Kansas; has been in the business all his life, was cashier of the First National Bank of Concordia, Kan., for twenty-three years. Mr. Bowman will remain with the trust company as director.

Theodore Jessup of Chicago was selected as Mr. Bowman's successor.

Miss May Malone, the present teller in the savings bank, was elected assistant cashier, a position she is most eminently qualified to fill.

—On March 1, 1908, the Rose City Bank of Little Rock, Arkansas, opened for business with a paid-up capital of $30,000 and a number of energetic men behind it. Deposits on the opening day were something like $16,000 and they have increased steadily. The bank has a beautiful home with all the modern improvements and fixtures so desirable in a new bank building.

A pink rose, the bank's emblem, will be found on all their letter-heads and checks, commanding attention and suggesting the name of the institution for which it stands.

James M. Stewart is president of the Rose City Bank; S. D. Knox, is vice-president; Richard E. Stevenson is cashier; and Arnold H. Lange is secretary and treasurer.

—Plans for the new building of the City National Bank of Knoxville, Tenn., to be erected on the site of the present banking house, indicate that the new structure will be a handsome one. It will be but one story in height and that story will be 42 feet high.

The front will be of granite, and six different kinds are in the specifications for the bidders to give figures on. The facade will be decorated with a pediment of granite, supported by two pilasters of granite, and between these and the big front entrance are two granite columns, each of the upright pieces being some thirty feet in height, and two feet, eight inches in thickness. The general effect of the architecture is colonial.

Inside, the banking room, which is to occupy the entire building with the exception of the basement, will be magnificent. Down each side of the wall will be ten pilasters of white plaster, and between each of these will be panels of decorative plaster, nine feet six inches in width, and nineteen feet tall. The pilasters inside of the banking room will be of the same height and size as those on the facade of the building. The floor of the banking room will be tiled, possibly with Tennessee marble, and the ceiling is to be ornamented with large white plaster beams, and ornamental panels, like those of the sides of the banking room. A mezzanine floor will be a feature to provide further floor space and the vaults built two stories in height will be reached by a traveling platform operated with electricity.

The lighting feature will be a skylight, with steel frame twelve feet by sixty-three feet, over the main banking room.

WESTERN STATES.

—The seventh annual convention of the Colorado Bankers' Association was held at Colorado Springs, July 23 and 24.

The program for the first day, in addition to the addresses of welcome and responses, and reports of officers, included an address by William Barrett Ridgely, president National Bank of Commerce, Kansas City, Mo., on "Lessons from the Recent Panic."

Addresses were made on the second day by Harry M. Beatty, state bank commissioner of Colorado, on "The Practical Working of the New Banking Law of the State;" by George E. Roberts, president Commercial National Bank of Chicago, on "A Central Bank of Issue;" by J. M. B. Petriken, cashier First National Bank, Greeley, on "Why Emergency Circulation?"

Resolutions were passed condemning William J. Bryan's ideas on banking, particularly wherein he favors Government guarantee of deposits in national banks. The resolutions say this would be class legislation of the worst possible form.

—The Merchants Bank, a new institution of Salt Lake City, Utah, has been incorporated, with a capital of $100,000. The officers are: W. J. Holloran, president, and Eugene Chandler, cashier.

—The Nye and Ormsby County Bank of Carson City, Nevada, expects soon to receive a charter making it a national bank, with a capitalization of $250,000. The bank will be independent of the Reno and Tonopah banks. The Nye and Ormsby County Bank of Goldfield has already received such a charter. It is announced that president Frank Golden, of the Nye and Ormsby County Bank, in Reno, will endeavor to secure a similar charter for his bank.

—Stockholders of the First National Bank of Coeur d'Alene, Idaho, have received a six per cent. dividend on their stock, amounting to $35,000. The bank also placed one per cent. to the credit of the surplus fund.

—Luther L. Kountze has been advanced from the cashiership of the First National Bank of Omaha, Neb., to the office of second vice-president. T. L. Davis, for some years assistant-cashier, has been chosen cashier to succeed Mr. Kountze. Irving Allison, who became an assistant-cashier last January, becomes first assistant-cashier. George T. Zimmerman is a new assistant-cashier.

—Wm. B. Hughes, secretary of the Nebraska Banker's Association, has been urging his fellow members to come to the state convention at Lincoln, September 24 and 25, prepared to go on to the national convention at Denver, the following Monday. He points out the fact that many of those expecting to attend the convention at Denver have made their arrangements to be in Lincoln on those days, and the sessions without doubt will be doubly interesting.

—L. R. Adams, assistant cashier of the Wallace National Bank, at Wallace, Idaho, has resigned and the position has been filled by the appointment of Thomas McCabe. Mr. McCabe has for three years been connected with the sheriff's office in Wallace and is well and favorably known.

—Montana bankers met in Billings July 27 and 28 and held their annual convention. There was a large attendance and the sessions were exceptionally good. There were addresses by Wm. Barrett Ridgely, president of the National Bank of Commerce, Kansas City; Geo. E. Roberts, president of the Commercial National Bank, Chicago; Hon. Joseph M. Dixon, United States Senator; Hon. Charles N. Pray, United States Representative, and others. The local committee in Billings had arranged an elaborate program for both

ladies and gentlemen who attended the convention and the social features thus provided were enjoyed quite as much as the business sessions.

PACIFIC STATES.

—A change is to be made in the officials at the Sunnyside Bank, at Sunnyside, Wash. M. L. Walker, assistant cashier, has resigned to take a similar position in the Washington National Bank, Ellensburg, Wash. Mr. Walker entered the Sunnyside Bank in the spring of 1903 as bookkeeper.

—O. H. Greene has resigned the presidency of the First National Bank of Lind, Wash., and W. R. Cunningham, Jr., has been chosen to succeed him. Mr. Greene will become vice-president of the institution. Miss Anna Olson has been elected assistant cashier. The bank has just received its first instalment of currency from the Government, amounting to $10,000, which is being placed in circulation.

—At a special meeting of the stockholders and directors of the Whitman County State Bank, at Rosalia, Wash., it was decided to increase the capital stock from $25,000 to $40,000 and to add a surplus fund of $10,000. It was also decided to reorganize as the Whitman County National Bank, and application will at once be made to the Comptroller of the Currency for a charter as a national bank. The banking quarters are being thoroughly overhauled and refitted and furnished.

—All the depositors of the Farmers and Merchants Bank of Cheney, Wash., which failed nearly two years ago, have received their deposits and the interest which has run on since the bank closed. The Cheney bank was organized by E. W. Swanson as a branch of the Farmers & Mechancis Bank of Spokane while Mr. Swanson was vice-president of the latter bank.

—Joseph A. Swalwell, who was cashier of the First National Bank of Everett, Wash., has been given the vice-presidency of the National Bank of Commerce, Spokane, Washington. He relieves Ralph S. Stacy, who has been acting as cashier and vice-president during the past year.

The National Bank of Commerce was the first bank in Seattle to have a million-dollar capital and has been the largest bank in the city since its consolidation with the Washington National Bank, two years ago. Its staff of officers is composed of men who have been very prominent in the financial development of the Northwest for many years past. H. C. Henry is chairman of the board of directors, while the active officers of the bank in addition to Mr. Stacy and Mr. Swalwell are M. F. Backus, president, and R. R. Spencer, first vice-president.

—For the first time in the history of the State of Oregon, complete statistics are available showing the condition of all the banks in Oregon, both state and national. State Bank Examiner Steel has completed the compilation of reports of all banks on May 14.

The statistics show total resources of $100,393,091, of which amount $47,892,000 is in the form of loans and discounts; $15,600,000 securities, bonds, etc.; $17,000,000 due from other banks, and $14,700,000 cash. Of the liabilities $11,107,000 is capital stock, $6,000,000 surplus and undivided profits, $8,300,000 due to other banks and $76,000,000 deposits. The report covers 132 state and 59 national banks.

H. H. Eddy has been advanced from the cashiership of the Santa Barbara County National of Santa Barbara, Cal., to the vice-presidency, succeeding E. R. Spaulding. J. M. Warren, formerly assistant cashier, was appointed cashier to fill the vacancy caused by Mr. Eddy's promotion.

—John T. Lynch has resigned his position on the board of State Bank Commissioners of California and Governor Gillett of California has appointed William C. Watson to succeed him. Mr. Lynch will devote his energies to the coming political campaign.

—Charles N. Flint, cashier of the Commercial National, of Los Angeles, ever since its organization in 1903, and one of the city's oldest financiers, has resigned, and retired from active service on July 1. Mr. Flint's place has been filled by Newman Essick, who has been assistant cashier with Mr. Flint. R. S. Heaton, formerly cashier of the Bank of the Pacific, of San Francisco, becomes assistant cashier.

—The First National Bank of Glendora, Cal., has just completed a well equipped building for its use, in that city. It is of reinforced concrete and cost $20,000.

The bank is one of the most prosperous in the suburban districts of Los Angeles. It has been in operation a year, and has deposits of $57,000. It is equipped with modern vaults, safe deposit boxes, burglar alarm system, etc.

—Application to organize the First National Bank of Cordova, Alaska, with a capital of $25,000, has been approved. I. Salhinger, of Seattle, Wash.; I. D. McCutcheon, Ole Hanson and others are those interested.

CANADA.

—One of the officials engaged in winding up the affairs of the Banque de St. Hyacinthe made the statement that the depositors would receive every dollar of their money; but as yet it was not known whether the shareholders would be called upon to bear their double liability.

The Banque de St. Hyacinthe suspended payment a few weeks ago, when it found itself unable to meet its liabilities.

—The name of the Northern Bank, which has a branch in Victoria, B. C., has been changed to the Northern Crown Bank, the new title having come into official use on July 2. The change in name is a sequel to the amalgamation of the two institutions effected a few months ago, but which did not take effect until last month. The paid-up capital of the combined banks is $2,250,000, but it is intended to issue sufficient additional stock to bring the amount up to $3,000,000. The new Northern Crown Bank, with headquarters in Winnipeg, will be under the management of J. W. de Courcey O'Grady, of that city, and starts with seventy-two branches, twenty-two of which are located east of the Great Lakes and the balance west of them. The Victoria branch is having new offices prepared in the bank's building, Adelphia block, which are ready for occupancy.

—The forty-eighth annual report of La Banque Nationale, head office at Quebec, is a most gratifying indication of its steady growth along conservative and practical lines. This report, which bears date of April 30, 1908, shows total assets of $14,087,604, of which $3,192,571 represented those immediately available. The liabilities included time deposits of $7,193,448, demand deposits of $2,007,619, a paid-up capital of $1,800,000 and reserve fund of $900,000. The net profits for the year amounted to $279,121, which with the balance left from 1907 to the credit of profit and loss, amounting to $64,060, and premium on new stock of $2,575, amounted to a total of $345,765, out of which four quarterly dividends of one and three-fourths per cent. each amounting to $125,673 were paid, $150,000 was carried to the reserve fund and $52,584 was carried forward. By comparing the above figures with those contained in the statement of a year previous we find that La Banque Nationale increased its assets by $338,661, added $130,689 to its total deposits and gained proportionately in practically every item on the list, and this is especially significant and encouraging when the disturbed condition in financial and business circles during the past seven or eight months is taken into consideration.

La Banque Nationale has contributed largely to the growth and development of eastern Canada and the coming years will but add to its possibilities of influence and usefulness.

Established in 1860 this bank has steadily gained in influence and to-day it has forty-two branches in successful operation in the Provinces of Quebec and Ontario, one in Paris, France, and correspondents in all important financial centres in this country and Europe.

During the nearly half century of the bank's existence it has always played a prominent part in the development of the magnificent natural resources of the fertile country tributary to Quebec, and not a little of the success with which it has met may be directly attributed to the experience, conservatism and ability of its management, the board of directors being composed of Messrs. R. Audette, president, Hon. A. Chauveau, vice-president, V. Chateauvert, Naz. Fortier, J. B. Laliberte, Victor Lemiux and Charles Pettigrew, all prominent and influential men of affairs whose names would add strength and prestige to any institution with which they might be connected. The general manger is P. Lafrance, who is well and favorably known in banking circles and he has been identified with the institution for the past thirty-five years, and has been its active head since 1882.

—The Bank of Montreal has opened a branch at Hosmer, B. C

—On July 20, the Royal Bank of Canada, head office at Montreal, Quebec, occupied a handsome building just completed for the bank's use in St. John, N. B.

A great deal of care and money have been expended to make the new quarters pleasant for both the customers and clerks, and this has been accomplished. There are all the different departments here that one will find in any modern bank building, finished in marble and ornamental grilles, and rich oak furniture. Thomas B. Blair is the local manager.

—Net profits of the Imperial Bank of Montreal for the year ended April 30,

amounted to $721,175, equal to 14.52 per cent. on a capital of $4,965,757. During the year the bank paid in dividends $535,524. The balance of profit and loss to be carried forward was $475,914, compared with $426,316 last year. During the year the bank received in premium on capital stock $191,809.

—A magnificent bank building is being erected at Oullette avenue and Sandwich street, Windsor, by the Dominion Bank which will be one of the finest structures of its kind in Canada. It will comprise three stories and basement, will be finished outside with white Vermont marble and on the interior with Italian marble. The banking offices will occupy all of the main floor and modern vaults will be installed in the basement. The second floor will be rented for offices, while the third will be converted into living rooms for the bank clerks. The Dominion Bank, of which the Windsor institution is a branch, was established in Toronto thirty-eight years ago and now has seventy branches scattered through the Dominion. The total assets are $50,000,000 and the deposits aggregate $34,000,000. The Windsor branch is in charge of J. N. Stone.

BANK OF NEW SOUTH WALES.

AT the half-yearly meeting of the Bank of New South Wales, held at the chief banking house (Sydney), on May 26, 1908, the directors submitted their one hundred and fifteenth report. As outlined in president Mackellar's address, the bank has prospered beyond expectations in the half year just past, and with the opening of new branches at Walcha, Ganmain and Delungra, in New South Wales, and at Atherton and Proserpine, in Queensland, its field of operations has been greatly enlarged.

The net profits for the half year, after providing for debts, paying taxes, etc., amount to £156,741, which sum, when added to £31,645 undivided balance from last half-year, was distributed as follows:

To payment of dividend at the rate of 10 per cent. per annum....	£124,399
To augmentation of the reserve fund	30,000
To balance carried forward.......	33,988

The Bank of New South Wales was established in 1817 and has grown till at present it has a capital stock of £2,500,000 and a reserve fund of £1,500,000.

Its branches have been opened in every section of the continent, and the number of employes, if counted, would reach up into the thousands.

AN EXCELLENT BANK STATEMENT.

IN these days of publicity, when regularly we may examine into the condition of our banks, through their published statements, we are apt to notice the items made prominent, such as surplus, deposits, etc., and then pass them by. But a closer search will invariably be productive of interesting results, and so it has been with the balance sheet of the National Bank of Cuba, head office at Havana.

On June 30, the ratio of cash on hand to deposits, in this bank, was over thirty-two per cent.; the ratio of cash on hand to banks and bankers was over forty per cent., and the ratio of total quick assets (cash, banks and bankers, bonds and stocks) to deposits was seventy-two per cent.

In the last six months, the amount of deposits has increased over $1,000,000 or at the rate per annum of over fourteen per cent.

The number of depositors' accounts June 30, was 16,243, or an increase in the last six months at the rate per annum of over twenty-five per cent.

The National Bank of Cuba or Banco Nacional de Cuba, now has throughout the island, fourteen branches, and is represented in New York city by an office at 1 Wall Street. Edmund G. Vaughan, a vice-president of the American Bankers' Association, is president of the National Bank of Cuba and Henry C. Niese is in charge of the New York office.

WAIT A MINUTE.

A MAN who has had no trouble in getting cash from the local banks when he wanted it, was in a neighboring town the other day, where the banks are paying only a small amount in currency. While in one of the banks there he overheard two Irish friends greet each other while waiting their turn at the window.

"This reminds me of Finnegan," remarked one.

"What about Finnegan," inquired the other.

"'Tis a story that Finnegan died, and when he greeted St. Peter he said:

"'It's a fine job you've had here a long time.'

"'Well, Finnegan,' said St. Peter, 'here we count a million years as a minute and a million dollars as a cent.'

"'Ah,' said Finnegan, 'I'm needin' cash; lend me a cent.'

"'Sure,' said St. Peter, 'just wait a minute.'"—*Winamac Democrat.*

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Harrington, Wash.; by Harry Ochs, et al.

First National Bank, Poysippi, Wis.; by W. B. McArthur, et al.

First National Bank, Plainville, Conn.; by J. H. Trumbull, et al.

First National Bank, Tampico, Ill.; by John R. Woods, et al.

Corn Exchange National Bank, Mason City, Ill.; by E. H. Peine, et al.

First National Bank, Auburn, Pa.; by Wm. H. Diefenderfer, et al.

First National Bank, Ripley, Miss.; by R. L. Smallwood, et al.

First National Bank, Ackerman, Miss.; by Jas. W. Norment, et al.

Central National Bank, East Syracuse, N. Y.; by Frank W. Perry, et al.

First National Bank, Charlotte, Ia.; by H. Illemann, et al.

First National Bank, Calmar, Ia.; by O. P. Ode, et al.

First National Bank, Fairfield, Pa.; by E. B. Swope, et al.

Peoples National Bank, Farmville, Va.; by Chas. F. Bugg, et al.

Ashokan National Bank, Brown Station, N. Y.; by J. D. Lecky, et al.

Springs National Bank, Cambridge Springs, Pa.; by L. S. Sherred, et al.

Farmers & Traders National Bank, Hillsboro, O.; by A. Matthews, et al.

Colquitt National Bank, Colquitt, Ga.; by F. E. Fudge, et al.

First National Bank, Houston, Miss.; by H. Richard Smith, et al.

Farmers National Bank, Allerton, Ia.; by W. L. Dougherty, et al.

First National Bank, Auburn, Cal.; by A. Shadbolt, et al.

First National Bank, Elberton, Ga.; by J. R. Mattox, et al.

First National Bank, Cordova, Alaska; by I. Salhinger, et al.

Middleport National Bank, Middleport, N. Y.; by Philip F. Swart, et al.

Applications for Conversion to National Banks Approved.

Winn Parish Bank, Winnfield, La.; into First National Bank.

Traders Bank, Kansas City, Mo.; into Traders National Bank.

Plateau State Bank, Herman, Neb.; into First National Bank.

Pendleton Savings Bank, Pendleton, Oreg.; into Oregon National Bank.

Lemmon State Bank, Lemmon, S. D.; into First National Bank.

Bank of Albemarle, Charlottesville, Va.; into Albemarle National Bank.

National Banks Organized.

9172—Security National Bank, Kansas City, Mo.; capital, $200,000; Pres., H. M. Evans; Vice-Pres's., Robt. H. Williams and K. L. Browne; Cashier, J. D. Anderson.

9173—National Bank, Visalia, Cal.; capital, $200,000; Pres., Clarence M. Smith; Vice-Pres., C. J. Giddings; Cashier, L. C. Hyde; Asst. Cashier, L. Lawrence.

9174—London Paris National Bank, San Francisco, Cal.; capital, $2,500,000; Pres., Sigmund Greenebaum; Vice-Pres., H. Fleishhacker; Cashier, R. Altschul; Asst. Cashiers, C. L. Hunt and A. Hochstein.

9175—First National Bank, Westport, Ind.; capital, $30,000; Pres., Francis D. Armstrong; Vice-Pres., Maurice G. Stewart; Cashier, John S. Morris; Asst. Cashier, Mayme E. Baker.

9176—Citizens National Bank, Chattanooga, Tenn.; capital, $300,000; Pres., G. N. Henson; Vice-Pres's., G. W. Davenport and C. D. Mitchell; Cashier, Herbert Bushnell; Asst. Cashiers, J. B. Lowry and Horace Henson. Conversion of Citizens Bank & Trust Co.

9177—Clifton Forge National Bank, Clifton Forge, Va.; capital, $50,000; Pres., W. G. Mathews; Vice-Pres., E. W. Grice; Cashier, J. H. Drewry; Asst. Cashier, L. F. Pendleton. Conversion of Merchants & Mechanics Bank.

9178—Foard County National Bank, Crowell, Tex.; capital, $25,000; Pres., W. A. Waldrop; Vice-Pres., J. W. Allison; Cashier, R. R. Waldrop; Asst. Cashier, S. S. Bell.

9179—Park National Bank, Newark, O.; capital, $100,000; Pres., A. G. Wyeth; Vice-Pres., A. R. Lindorf; Cashier, W. W. Gard. Conversion of Guardian Savings & Trust Co.

9180—Lumbermens National Bank, Portland, Oreg.; capital, $250,000; Pres., G. K. Wentworth; Vice-Pres., John A. Keating; Cashier, H. D. Story; Asst. Cashier, F. A. Freeman. Conversion of Bankers & Lumbermens Bank.

9181—Bridgton National Bank, Bridgton, Me.; capital, $50,000; Pres., Winburn M. Staples; Vice-Pres., Geo. W. Newcomb; Cashier, Wm. Treby Johnson.

9182—First National Bank, Hillyard, Wash.; capital, $25,000; Pres., E. J. Cannon; Vice-Pres., J. Farrow; Cashier, M. M. Cook; Asst. Cashier, L. W. Musselman.

9183—First National Bank, Arenzville, Ill.; capital, $100,000; Pres., Herman Engelbach; Vice-Pres., J. M. Swope; Cashier, Geo. Engelbach; Asst. Cashier, Fred Engelbach.

9184—National City Bank, Memphis, Tenn.; capital, $200,000; Pres., H. H. Crosby; Vice-Pres's., T. J. Keyer and J. M. Speed; Cashier, Wm. H. Kyle; Asst. Cashier, S W. Portlock.

9185—Garfield National Bank, Garfield, Wash.; capital, $25,000; Pres., Aaron

Kuhn; Vice-Pres., J. W. Cox; Cashier, G. W. Nye.

9186—Jackson National Bank, Jackson, Ga.; capital, $75,000; Pres., F. S. Etheridge; Vice-Pres., T. H. Buttrill; Cashier, R. P. Sasnett.

9187—First National Bank, Mineola, N. Y.; capital, $50,000; Pres., Edwin C. Willets; Vice-Pres's., Eugene W. Denton, Phil J. Miller and James C. Van Siclen; Cashier, S. M. Powell.

9188—First National Bank, Letcher, S. D.; capital, $25,000; Pres., O. L. Branson; Vice-Pres., Wm. E. Ryan; Cashier, F. R. Ward.

9189—First National Bank, Cayuga, Ind.; capital, $25,000; Pres., Oscar O. Hamilton; Vice-Pres., Henry C. Randolph; Cashier, Matthew P. Hoover.

9190—Fourth National Bank, Greenville, S. C.; capital, $100,000; Pres., J. P. Rickman; Vice-Pres., W. C. Cleveland; Cashier, J. E. Johnston; Asst. Cashier, H. J. Southern.

9191—Stockmens National Bank, Rushville, Neb.; capital, $35,000; Pres., A. M. Modisett; Vice-Pres., H. A. Dawson; Cashier, H. C. Dale; Asst. Cashier, H. F. Wasmund, Jr. Conversion of Stockmens Bank.

9192—Union National Bank, Fostoria, O.; capital, $100,000; Pres., William Manecke; Vice-Pres., E. W. Allen; Cashier, Geo. A. Snyder; Asst. Cashier, B. M. Solomon. Conversion of Mechanics Banking Co.

9193—Lockney National Bank, Lockney, Tex.; capital, $25,000; Pres., C. I. White; Vice-Pres., Z. T. Riley; Cashier, Jas. P. Posey; Asst. Cashier, V. N. Dillard.

9194—First National Bank, Ansonia, O.; capital, $25,000; Pres., J. H. Campbell; Vice-Pres., Elmer E. Vance; Cashier, A. L. Comstock.

9195—First National Bank, Delano, Cal.; capital, $25,000; Pres., S. Mitchell; Vice-Pres., Ben Thomas; Cashier, H. Hawley.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Red Bay—Bank of Red Bay; capital, $15,000; Pres., A. J. Hackett; Vice-Pres., R. E. Perry; Cashier, E. A. Smith.

Sylacauga—Citizens Bank; capital, $20,000; Pres. and Cashier, J. P. Batson.

CALIFORNIA.

Auburn—Overland Bank; capital, $25,000; Pres., A. Shadbolt; Vice-Pres., S. G. Watts; Cashier, G. W. Brundage.

San Leandro—San Leandro Savings Bank; capital, $25,000; Pres., W. K. Colo; Vice-Pres., B. F. Mason; Cashier, M. E. Lyon; Asst. Cashier, A. J. Williams.

COLORADO.

Seibert—Seibert State Bank; capital, $10,000; Pres., W. C. Caley; Vice-Pres., H. H. Cheney; Cashier G. W. Klockenteger.

GEORGIA.

Americus—Commercial City Bank; capital, $50,000; Pres., J. W. Wheatley; Vice-Pres., Crawford Wheatley; Cashier, R. E. McNulty.

Blairsville—Bank of Blairsville; Pres., Jno. D. Walker; Vice-Pres., E. W. Butt; Cashier, F. O. Simmons.

IDAHO.

Boise—Bank of Idaho; capital, $100,000; Pres., R. F. Buller; Vice-Pres., Edgar Wilson; Cashier, F. H. Parsons.

Caldwell—American State Bank; capital, $25,000; Pres., S. D. Simpson; Vice-Pres., J. C. Nichols; Cashier, H. B. Crosby.

ILLINOIS.

Chicago—Edgewater Bank; capital, $25,000; Pres., W. H. Paisley; Vice-Pres., W. W. Paisley; Cashier, O. F. Paisley; Asst. Cashier, J. F. Paisley.—Wollenberger & Co., private bankers.

Cypress—Bank of Cypress; capital, $10,000; Pres., J. E. Carr; Vice-Pres., A. Currie; Cashier, R. A. Anderson; Asst. Cashier, R. E. Duncan.

Girard—State Bank; succeeded Bank of Girard; capital, $50,000; Pres., H. C. Hamilton; Vice-Pres., J. D. Metcalf; Cashier, J. M. Metcalf; Asst. Cashier, E. E. Littlepage.

Mattoon—Coles County State Bank; capital, $50,000; Pres., J. McAnalley; Vice-Pres., J. B. Cartmill; Cashier, Jno. L. Carr; Asst. Cashier, James M. Beed.

IOWA.

Palo—Palo Savings Bank; succeeded Bank of Palo; capital, $10,000; Pres., J. W. McClintock; Cashier, G. E. Carrier.

KANSAS.

Iola—State Savings Bank; capital, $25,000; Pres., C. H. De Clute; Vice-Pres., J. H. Arnett; Cashier, H. Hobart; Asst. Cashier, H. M. Miller.

Speed—Farmers State Bank; capital, $15,000; Pres., Alvin Dougherty; Vice-Pres., E. L. Williams; Cashier, M. C. Knox.

MARYLAND.

Mount Airy—Mt. Airy Savings Bank; Pres., Frank C. Norwood; Vice-Pres., James Hardy; Cashier, A. R. Molesworth; Asst. Cashier, Byron S. Dorsey, Jr.

MICHIGAN.

Augusta—Bank of Augusta; capital, $6,000; Cashier, C. M. Faude; Asst. Cashier, J. M. Faude.

Pinconning—Commercial State Bank; capital, $20,000; Pres., James Livingston; Vice-Pres., Fred W. Klumpp; Cashier, James N. Simmons.

MINNESOTA.

Hallock—Citizens State Bank; succeeded J. Kelso & Son; capital, $25,000; Pres., W. C. Kelso; Vice-Pres., Oscar Younggren; Cashier, Wm. Kelso; Asst. Cashier, F. J. Wickie.

Ottertail—Security State Bank; succeeded Bank of Ottertail; capital, $10,000; Pres., N. J. Schafer; Vice-Pres., W. A. Hough; Cashier, Henry Nulle; Asst. Cashier, B. F. Barnett.

Two Harbors—Commercial State Bank; succeeded Bank of Two Harbors; capital, $25,000; Pres., Joseph Sellwood; Vice-Pres., Jno. Dwan; Cashier, D. A. Burke; Asst. Cashier, H. B. Perry.

MISSISSIPPI.

McComb City—Mechanics Bank; capital, $50,000; Pres., W. W. Lake; Cashier, B. F. Lampton; Asst. Cashier, A. J. Albright.

MISSOURI.

Belton—Citizens Bank; capital, $20,000; Pres., J. B. Shouse; Vice-Pres., W. F. Williams; Cashier, W. A. Hall.

NEBRASKA.

Beatrice—Beatrice State Bank; capital, $50,000; Pres., F. E. Allen; Vice-Pres., F. T. Harden; Cashier, H. H. Waite.

Fairfield—Farmers & Merchants Bank; capital, $25,000; Pres., C. M. Prickett; Vice-Pres., Joseph Kyne; Cashier, Geo. W. Cobel.

Rushville—Union Bank; succeeded Citizens Bank; capital, $15,000; Pres., Lewis Oberwetter; Vice-Pres., W. F. Strothelde; Cashier, R. F. Kitterman; Asst. Cashiers, R. F. Strothelde and J. T. Edmunds.

Springfield—American State Bank; succeeds Sarpy County State Bank and J. D. Spearman & Co.; capital, $33,000; Pres., W. H. Davidson; Vice-Pres., W. M. Kieck; Cashier, C. F. Calhoun; Asst. Cashier, Floyd Davidson.

St. Mary—Citizens State Bank; Pres., D. M. Boatsman; Vice-Pres., C. L. Rothell; Cashier, H. C. Schumann.

NEW MEXICO.

Grady—Grady Bank & Trust Co.; capital, $15,000; Pres., C. C. Marshall; Vice-Pres., E. E. Hull; Cashier, A. A. Maxwell.

NORTH CAROLINA.

Stem—Bank of Stem; capital, $5,000; Pres., J. H. Gooch; Vice-Pres., W. H. Hunt; Cashier, Allie Gooch.

NORTH DAKOTA.

Gardar—Gardar State Bank; capital, $10,000; Pres., C. D. Lord; Vice-Pres., C. A. Jeglum; Cashier, A. Johnson.

Rhome—First State Bank; capital, $10,000; Pres., Ole Paulson; Vice-Pres., Theo. Torbinson; Cashier, Simon Brown.

OHIO.

Hamden Junction—Citizens Bank of Hamden; capital, $25,000; Pres., R. S. Wilcox; Vice-Pres., J. T. Ogier; Cashier, C. C. Roberts.

OKLAHOMA.

Bessie—State Bank; capital, $10,000; Pres., R. Behnke; Vice-Pres., H. A. Wiens; Cashier, H. C. Wallerstedt; Asst. Cashier, H. B. Wallerstedt.

Harrah—State Bank of Commerce; capital, $10,000; Pres., J. W. Miles; Vice-Pres., K. W. Miles; Cashier, B. F. Miles.

OREGON.

Haines—Bank of Haines; succeeded Baker Loan & Trust Co.; capital, $10,000; Pres., Wm. Pollman; Cashier, B. E. Harder.

SOUTH DAKOTA.

Hermosa—Hermosa State Bank; capital, $12,000; Pres., Peter Duhamel; Cashier, A. T. Hesnard.

Owanka—Owanka State Bank; capital, $5,000; Pres., A. B. Hunter; Vice-Pres., O. P. Williams; Cashier, F. R. Hunter.

Wecota—Wecota State Bank; capital, $5,000; Pres., J. B. Gundert; Cashier, E. I. Levang; Asst. Cashier, E. A. Maynuson.

TENNESSEE.

Mt. Juliet—Bank of Mt. Juliet; capital, $10,000; Pres., T. H. Freeman; Vice-Pres., J. W. Williamson; Cashier, Jno. W. Wood.

New Market—Bank of New Market; Pres., G. N. Long; Vice-Pres., W. T. Elmore; Cashier, C. E. Sweatt.

TEXAS.

Gonzales—Gonzales State Bank & Trust Co.; succeeded Miller Sayers & Co.; capital, $75,000; Pres., W. J. Bright; Cashier, G. A. Rives; Asst. Cashier, J. C. Bright.

Houston—Central Bank & Trust Co.; succeeded Texas Savings Bank; capital, $100,000; Pres., F. E. Pye; Vice-Pres., M. E. Foster; Cashier, E. R. Johnson.

Martindale—Merchants & Planters Bank; capital, $10,000; Pres., J. B. Martindale;

Vice-Pres., R. N. Martindale; Cashier, F. P. Johnson.

UTAH.

Richmond—State Bank; capital, $12,250; Pres., David Eccles; Vice-Pres., J. W. Funk; Cashier, Geo. G. Hendricks.

Salt Lake City—Merchants Bank; capital, $100,000; Pres., W. J. Halloran; Vice-Pres., Geo. E. Chandler; Cashier, E. Chandler.

VIRGINIA.

Cambria—Cambria Bank; capital, $25,000; Pres., G. M. Mitchell; Vice-Pres., W. L. Hickok; Cashier, J. W. Mitchell.

WISCONSIN.

Spencer—Spencer State Bank; capital, $10,-000; Pres., J. D. Graves; Vice-Pres., Geo. Farington; Cashier, A. L. Boock.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Alhambra—First National Bank; C. S. Wilson, Asst. Cashier, in place of James McLaren.

Decatur—Merchants Bank and twelve Branches; title changed to Tennessee Valley Bank.

Mobile—Mobile Loan & Trust Co.; J. H. Warring, Pres.; L. E. Thom, Vice-Pres.; B. A. Provost, Secy. and Treas.

ARIZONA.

Yuma—First National Bank; Jennie Polhamus, Cashier; D. L. De Vane, Asst. Cashier, in place of Jennie Polhamus.

ARKANSAS.

McGehee—Valley Bank and Bank of McGehee, consolidated; title changed to McGehee Valley Bank; capital, $18,500; H. Thane, Pres.; Abner McGehee, Jr., Vice-Pres.; J. W. Willoughby, Cashier; M. A. McDermatt, Asst. Cashier.

Searcy—Searcy Bank; title changed to Bank of Searcy.

CALIFORNIA.

Redlands—Citizens National Bank; T. Leo Peel, Asst. Cashier.

San Francisco—Western National Bank; J. H. Spring, Pres., in place of W. C. Murdoch.

Santa Barbara—Santa Barbara County National Bank; H. H. Eddy, Vice-Pres., in place of E. R. Spaulding; J. M. Warren, Cashier, in place of H. H. Eddy; no Asst. Cashier in place of J. M. Warren.

Santa Monica—Merchants National Bank; P. H. Smith, Vice-Pres., in place of W. S. Vawter.

COLORADO.

Brush—Stockmens National Bank; A. H. Frerichs, Asst. Cashier.

FLORIDA.

Key West—First National Bank; Richard H. Kemp, Asst. Cashier.

Live Oak—First National Bank; S. B. Connor, Cashier, in place of D. E. Horn.

GEORGIA.

Colbert—Bank of Colbert; Miles W. Collier, Pres.; J. L. Reinhardt; C. C. Kinzy, Asst. Cashier.

Lake Park—Lake Park Bank; J. K. White, Pres.; Ewell Brown, Vice-Pres.; N. E. Brown, Cashier; D. Knight, Asst. Cashier.

Pelham—Farmers Bank and Pelham State Bank; consolidated under former title; capital, $100,000.

HAWAII.

Kahului—Baldwin National Bank; H. A. Baldwin, Vice-Pres., in place of J. P. Cooke.

IDAHO.

Caldwell—Caldwell Banking & Trust Co., Ltd.; title changed to Caldwell Commercial Bank; capital, $100,000; J. H. Lowell, Vice-Pres.; E. A. Clark, Cashier; E. H. Plowhead, Asst. Cashier.

Hailey—Idaho State Bank and Commercial & Savings Bank; consolidated under former title; capital, $75,000.

Mullan—First National Bank; J. C. Donnelly, Cashier, in place of J. W. Smead.

ILLINOIS.

Chicago—Drovers Deposit National Bank; R. T. Forbes, Pres., in place of Wm. A. Tilden; Wm. A. Tilden, Vice-Pres., in place of R. T. Forbes.—State Bank of Chicago; Jno. R. Lingren, Vice-Pres.; Henry S. Henschen, Cashier.

Manito—Peoples State Bank; Elmer E. Ethell, Vice-Pres.

Marion—Marion State Savings Bank; J. H. Burnett, Pres., in place of Chas. H. Dennison, deceased.

INDIANA.

Andrews—Bank of Andrews; title changed to State Bank; capital, $25,000; Jno. Stouder, Vice-Pres.; R. V. Bixby, Asst. Cashier.

Columbia City—Columbia City National Bank; Cleon H. Foust, Cashier, in place of W. H. Magley, deceased.

Farmland—Farmland State Bank; L. N. Davis, Pres.; Saml. M. Congill.

Vevay—First National Bank; A. J. Porter, Cashier, in place of A. G. Craig.

IOWA.

Churdan—First National Bank; D. E. Whitney, Cashier, in place of M. F. Coons.

Danbury—Danbury State Bank; S. H. Santee, Pres., in place of I. B. Santee, deceased.

Manning—First National Bank; R. S. Sutherland, Cashier, in place of O. E. Dutton; no Asst. Cashier in place of R. S. Sutherland.

Mediapolis—Citizens State Bank; Joseph Barton, Pres.; Henry Breder, Vice-Pres.; A. F. Anderson, Asst. Cashier.

Ottumwa—Frank McIntire, Pres., in place of M. A. McIntire, deceased.

Rockford—F. C. Johnson, Pres.; Burton Carrott, Vice-Pres.

Sioux City—First National Bank; Ackley Hubbard, Pres., in place of James F. Toy; W. L. Montgomery, Vice-Pres., in place of Ackley Hubbard; L. S. Critchell, Cashier, in place of J. Fred Toy; Fred W. Bland, Asst. Cashier, in place of F. W. Kammann; no Asst. Cashier in place of I. C. Brubacher.

Winterset—First National Bank; no Vice-Pres. in place of S. D. Alexander.

KANSAS.

Beloit—First National Bank; F. M. Dailey, Vice-Pres., in place of F. C. Sheldon.

Salina—Salina County State Bank; consolidated with National Bank of America, under latter title; Chas. F. McAdams, Vice-Pres.

Topeka—Prudential State Savings Bank; Geo. P. Stitt, Cashier; Miss May Malone, Asst. Cashier.—Prudential Trust Co.; Theodore Jessup Treas., in place of W. W. Bowman.

Wellington—Wellington National Bank; P. T. Wimer, Asst. Cashier.

Wichita—Fourth National Bank; J. M. Moore and C. W. Brown, Vice-Pres's.; V. H. Branch, Cashier, in place of J. M. Moore; C. W. Sheldon, Asst. Cashier.—Merchants State Bank and Wichita State Bank; consolidated under former title.

KENTUCKY.

Covington—First National Bank; absorbed Merchants National Bank; H. W. Percival, Cashier, in place of Joe H. Becker.

Hodgenville—Farmers National Bank and La Rue County Deposit Bank; consolidated under former title; capital, $60,000; Wm. Miller, Pres., in place of T. H. Harned; T. H. Harned and R. E. McDowell, Vice-Pres's., in place of R. W. McGill; J. H. Stark, Cashier, in place of T. E. Stark; R. L. Wright, Asst. Cashier, in place of J. H. Stark.

Lexington—First National Bank and Third National Bank; consolidated under former title.

Olive Hill—Olive Hill National Bank; Claude Wilson, Pres., in place of M. W. Armstrong; I. S. Mason, Cashier, in place of Claude Wilson.

Winchester—Citizens National Bank; T. F. Phillips, Vice-Pres., in place of S. W. Willis, deceased.

LOUISIANA.

New Orleans—Whitney Central National Bank; absorbs Central Trust & Savings Bank; title changed to Whitney Central Trust & Savings Bank; capital, $1,000,000.

MAINE.

Augusta—Augusta Savings Bank; Benj. F. Parrott, Vice-Pres.

MARYLAND.

Frederick—Central National Bank; Emory L. Coblentz, Pres., in place of John S. Newman.

MASSACHUSETTS.

Amesbury—Powow River National Bank; no Pres. in place of G. F. Bagley; E. R. Sibley, Vice-Pres.

Boston—National Shawmut Bank; Chas. A. Vialle and Henry D. Forbes, Vice-Pres's. —National Union Bank; Chas. P. Blinn, Jr., Vice-Pres.—State National Bank; W. F. Burdett, Asst. Cashier.

Lynn—Central National Bank; John H. Cross, Vice-Pres., in place of C. H. Newhall.

MICHIGAN.

Charlevoix—Charlevoix State Savings Bank; R. P. Foley, Pres.

Vassar—Bank of Vassar; Justin Wentworth, Pres.; P. L. Varnum, Vice-Pres.

MINNESOTA.

Braham—First National Bank; Hiram R. Elliott, Pres., in place of Harry Dranger; Fred Soderberg, Vice-Pres., in place of C. J. Johnson.

Chisholm—First National Bank; P. H. Nelson, Vice-Pres., in place of J. F. Killorin.

Detroit—Merchants National Bank; E. G. Holmes, Pres., in place of A. G. Wedge, Jr.; J. E. Bakke, Vice-Pres.

Mahnomen—Security State Bank and First State Bank; consolidated under former title.

Minneapolis—North Western National Bank; Joseph Chapman, Jr., and A. A. Crane, Vice-Pres's.; F. E. Holton, Cashier; W. F. McLane, S. S. Cook and I. F. Cotton, Asst. Cashiers.

Shevlin—Bank of Shevlin; title changed to First State Bank; capital, $10,000; A. Kaiser, Pres.; S. S. Stodwald.

MISSISSIPPI.

Newton—Bank of Newton; W. D. McRaven, Vice-Pres.; J. M. Cole, Cashier.

Sturgis—Bank of Sturgis; N. Q. Adams, Pres.; W. H. Durham, Vice-Pres.; J. A. McReynolds, Cashier; Bessie Edwards, Asst. Cashier.

MISSOURI.

Cameron—First National Bank; G. F. Merwin, Pres., in place of T. J. Wood.

St. Joseph—First National Bank of Buchanan County; Chas. Pasche, Pres., in place of W. P. Fulkerson.—German American National Bank; Walter W. Head, Cashier.

NEBRASKA.

Fairbury—First National Bank; no Vice-Pres. in place of A. G. Chamberlain; H. M. Harms, Asst. Cashier, in place of B. W. McLucas.

Tobias—Tobias National Bank; E. D. Ingham, Pres., in place of A. Upton; A. Upton, Cashier, in place of Mrs. Daisy Upton; C. E. Ingham, Asst. Cashier.

Trenton—First National Bank; N. T. Hall, Pres., in place of F. W. Ruzicka; A. H. Thomas, Vice-Pres., in place of N. T. Hall.

NEW HAMPSHIRE.

Tilton—Iona Savings Bank; Frank H. Hill, Pres.

NEW JERSEY.

Milford—First National Bank; A. M. Crittenden, Cashier, in place of A. A. McLeod.

Newton—Sussex National Bank; L. M. Morford, Vice-Pres. and Cashier.

Riverside—Riverside National Bank; A. L. Pancoast, Cashier, in place of Arthur Pressey.

Trenton—Trenton Banking Co.; John A. Campbell, Pres., in place of Joseph Holmes Bruere, deceased.

NEW MEXICO.

Clayton—First National Bank; D. A. Espy, Vice-Pres.

NEW YORK.

Albany—Albany Trust Co.; Geo. C. Tuyl, Jr., Pres., in place of H. G. Young; Chas. H. Bussikummer, Vice-Pres. and Secy.; A. P. Adams, Treas.; Philip Fitz Simons, Jr., Asst. Treas.

Buffalo—Third National Bank; W. Emerson Bargar, Acting Vice-Pres.; Geo. D. Drummer, Cashier, in place of W. Emerson Bargar.

Cornwall-on-Hudson — Cornwall Savings Bank; Townsend D. Wood, Pres., in place of S. B. Young, resigned.

Haverstraw—Peoples Bank; O. E. Reynolds, Cashier; D. F. Lake, Asst. Cashier.

Newport—National Bank; J. T. Wooster, Pres., in place of H. W. Dexter, deceased;

J. T. Wooster, Jr., Cashier, in place of J. T. Wooster.

New York City—Bartlett, Frazier & Carrington; title changed to Bartlett, Patten & Co.—Farmers & Mechanics Trust Co.; H. J. Haas, Secy., resigned.—Liberty National Bank; Chas. W. Riecks, Vice-Pres. and Cashier, in place of Jas. V. Lott; H. S. Bartow, Asst. Cashier.—Mutual Alliance Trust Co.; James H. Parker, Pres.—Nassau Trust Co.; capital increased to $600,-000.—Twelfth Ward Bank; Thos. Simpson, Pres., resigned.

Poughkeepsie—First National Bank; T. N. Morgan, Cashier, in place of F. E. Whipple.

Saranac Lake—Adirondack National Bank; E. R. Young, Vice-Pres., in place of Alfred L. Donaldson.

Stapleton — Richmond Borough National Bank; Alfred Elliott, Cashier.

NORTH CAROLINA.

Lexington—National Bank; Fred S. Hills, Cashier, in place of J. T. Williamson, Jr.; W. H. Bain, Asst. Cashier.

Wallace—Bank of Duplin and Bank of Wallace; consolidated under former title.

NORTH DAKOTA.

Binford—First National Bank; Oscar Greenland, Cashier, in place of J. H. Sinclair.

Drayton—First National Bank; H. W. Wallace, Pres., in place of S. R. Smith; no Vice-Pres. in place of H. W. Wallace.

Fargo—First National Bank; L. B. Hanna, Pres., in place of Robt. Jones.

McClusky—First National Bank; A. H. Halseth, Asst. Cashier.

Minot—Minot State Bank; L. M. Due, Pres.; Ed. Christensen, Cashier.

OHIO.

Ashland—Farmers Bank; Geo. R. Freer, Cashier, in place of Geo. A. Ullman, retired.

Medina—Medina County National Bank; B. Hendrickson, Cashier, in place of S. H. Brainard; D. H. Rickard, Asst. Cashier.

New Philadelphia—Exchange Bank; G. A. Lahmer, Vice-Pres., deceased.

OKLAHOMA.

Ardmore—Ardmore Loan & Trust Co.; title changed to First State Bank; capital, $50,000; J. B. Boone, Cashier; J. W. Richardson, Secy.

Eufaula—Eufaula National Bank; M. Board, Pres., in place of J. A. Sterrett; no Asst. Cashier in place of E. G. Bailey.

Frederick—First National Bank; E. H. Archer, Cashier, in place of G. S. Weathers; no Asst. Cashier in place of E. H. Archer.

Pryor Creek—First National Bank; W. B. Linney, Cashier, in place of W. L. Jones; no Asst. Cashier in place of K. J. Moore.

Texhoma—Farmers State Bank; E. Snow, Pres.; A. F. Bailey, Cashier.

Tulsa—Farmers National Bank; B. F. Andrae, Cashier, in place of J. V. Smith; C. G. Gray, Asst. Cashier, in place of B. F. Andrae.

Wakita—First National Bank; no Vice-Pres. in place of H. A. Bull; H. A. Bull, Cashier, in place of W. S. Perrin; F. L. Clinesmith, Asst. Cashier.

OREGON.

Forest Grove—First National Bank; D. I. Aller, Cashier, in place of G. S. Ogden.

Tillamook—First National Bank; P. Schrader, Pres., in place of Geo. Cohn; James Walton, Jr., Vice-Pres., in place of P. Schrader; James Walton, Jr., continues as Cashier; C. A. McGhee, Asst. Cashier.

Weston—Farmers Bank; I. M. Kemp, Cashier, in place of B. B. Hall, resigned.

PENNSYLVANIA.

Altoona—Mountain City Trust Co.; H. L. Nicholson, Pres., deceased.

Avoca—First National Bank; Edwd. Laird, Vice-Pres., in place of W. H. Hollister.

Catasauqua—Lehigh National Bank; James C. Beitel, Pres., in place of Wm. H. Glace.

Lansdale—Citizens National Bank; F. A. Clayton, Cashier, in place of E. R. Musselman.—First National Bank; E. R. Musselman, Cashier, in place of W. H. Godshall.

Pottsville—Merchants National Bank; O. P. Bechtel, Pres., in place of W. E. Harrington; W. E. Harrington, Vice-Pres.

Swissvale—First National Bank; Wm. G. Gordon, Cashier, in place of R. W. Drum, deceased; David C. Addie, Asst. Cashier.

York—York County National Bank; Samuel Small, Jr., Vice-Pres., in place of Jere Carl.

RHODE ISLAND.

Newport—Newport Trust Co.; Angus McLeod, Pres.; Thos. P. Peckham, Vice-Pres.; Edw. A. Sherman, Treas.

SOUTH CAROLINA.

Greenwood—Farmers & Merchants Bank; W. R. Cathran, Pres., in place of R. M. Hays, resigned; F. S. Evans, Vice-Pres.

Johnston—Bank of Johnston and Farmers Bank; merged under former title; capital increased to $69,700.

SOUTH DAKOTA.

Gettysburg—First National Bank; Adam Richardson, Pres., in place of H. R. Dennis; L. F. Michael, Vice-Pres.; A. T. Helgerson, Cashier, in place of W. A. Combellick.

TENNESSEE.

Athens—First National Bank; S. F. Gettys, Vice-Pres., in place of John W. F. Foster, deceased.

Fayetteville—First National Bank; T. Bagley, Cashier, in place of J. R. Feeney.

TEXAS.

Beaumont—Park Bank & Trust Co.; T. W. Garrett, Acting Vice-Pres.; F. M. Law, Cashier.

Farwell—First National Bank; Daniel A. Linthicum, Cashier, in place of Saunders Gregg; Daniel A. Linthicum continues as Vice-Pres.; J. Rex Stegall, Asst. Cashier.

Galveston—First National Bank; W. N. Stowe, Vice-Pres.; Fred W. Catterall, Cashier, in place of W. N. Stowe.

Mineral Wells—First National Bank; A. J. Thomas, Cashier, in place of M. M. Bright.

New Braunfels—First National Bank; George Knoke, Vice-Pres., in place of Wm. Clemens; Walter Faust, Cashier, in place of H. Clemens; no Asst. Cashier in place of Walter Faust.

Saint Jo—Citizens National Bank; W. B. Lane, Cashier, in place of J. S. Ross; no Asst. Cashier in place of W. B. Lane.

UTAH.

Coalville—First National Bank; B. G. Blackman, Vice-Pres., in place of Adam Patterson.

VIRGINIA.

Alexandria—First National Bank; Gardner L. Boothe, Vice-Pres., in place of J. F. Muir.

Bristol—Washington Trust & Savings Bank; Herbert Shipley, Cashier, resigned.

Clintwood—Citizens National Bank; W. H. P. Baker, Cashier, in place of E. F. Ames.

Luray—Page Valley National Bank; Emmet C. Berrey, Cashier, in place of A. W. McKim; F. T. Amiss, Asst. Cashier, in place of Emmet C. Berrey.

Lynchburg—American National Bank; J. L. Nicholas, Cashier, in place of S. H. Taylor; no Asst. Cashier in place of J. L. Nicholas.

WASHINGTON.

Lind—First National Bank; W. R. Cunningham, Jr., Pres., in place of O. H. Greene; O. H. Greene, Vice-Pres., in place of James Nielson; Anna L. Olson, Asst. Cashier.

Tacoma—Scandinavian American Bank and Scandinavian Commercial & Savings Bank; consolidated under former title; capital, $200,000; J. E. Chilberg, Pres.; W. H. Pringle, Vice-Pres.; Geo. H. Tarbell, Cashier; E. C. Johnson, Asst. Cashier.

WEST VIRGINIA.

Bluefield—First National Bank; W. C. Pollock, Vice-Pres.; L. A. Hooper, Cashier, in place of W. C. Pollock; no Asst. Cashier in place of L. A. Hooper.

Masontown—Bank of Masontown; S. L. Cobun, Pres.; E. R. P. Grimes, Vice-Pres.

Rowlesburg—Bank of Rowlesburg; Geo. E. Rogers, Pres.; E. M. Carver, Cashier.

WISCONSIN.

Darlington—First National Bank; R. E. Orton, Vice-Pres., in place of S. S. Allen; M. H. Michaelson, Cashier, in place of T. C. L. Mackay; no Asst. Cashiers in place of M. H. Michaelson and R. E. Orton.

Portage—First National Bank; Wm. M. Edwards, Cashier, in place of J. H. Hansen; J. E. Heath, Asst. Cashier, in place of Wm. M. Edwards.

Sheboygan—Citizens State Bank; Chas. B. Freyberg, Pres., deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

OHIO.

Cleveland—Farmers & Merchants Banking Co.; in charge of Edward S. Putney, receiver.—Franklin Savings & Banking Co. and Branches at Malvern and Sherodsville; reported closed July 6.

Rock Creek—First National Bank; in charge of P. Tillinghast, receiver, July 20.

PENNSYLVANIA.

Philadelphia—National Deposit Bank; in charge of receiver, July 14.

TENNESSEE.

Limestone—Limestone Banking Co.; in liquidation.

VIRGINIA.

Buckingham—Buckingham Bank; reported closed.

QUEBEC.

St. Hyacinthe—Bank of St. Hyacinthe; reported closed.

RESUMED.

NORTH DAKOTA.

Dunseith—Dunseith State Bank; resumed business May 26.

Corner of Wall Street and Broadway, New York, Showing "No. 1 Wall Street" and Trinity Church.

COURTESY OF THE NATIONAL BANK OF CUBA.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | SEPTEMBER, 1908 | VOLUME LXXVII, NO. 3

A NEW CURRENCY REFORM MOVEMENT.

CIRCULARS have been sent out by the Merchants' Association of New York requesting an expression of views regarding the propriety of calling a convention of the business organizations for the purpose of taking united action looking to the adoption of a scientific system of currency for the United States.

The Aldrich-Vreeland law passed at the last session of Congress was a Wall Street measure purely. It completely ignored the business men of the country—merchants, farmers and producers generally. What the law did do was to enlarge the bond market somewhat and provide a currency of benefit to Wall Street speculation.

It is therefore natural that the Merchants' Association of New York, which is one of the strongest business organizations of the country, should be dissatisfied with this law and endeavor to have it supplanted by a measure that would furnish a currency system beneficial to the productive and commercial interests of the country.

The convention of business organizations ought to be held by all means. It would undoubtedly do much good in formulating sound sentiment on the currency question, and it could be of especial value in showing politicians like ALDRICH and CANNON that it is not safe to defy the wishes of the business interests of the country.

The movement inaugurated by the Merchants' Association is apparently intended to support Mr. FOWLER's bill; and probably, upon the whole, no better or more practicable measure could be devised for placing the country's currency and banking systems upon a scientific basis. Mr. FOWLER has studied this problem in all its details; and, what is of great importance, he is absolutely conscientious in his efforts to bring about a solution that will be fair to all, and in the interests of no special class. The reforms he has advocated will have to be enacted into law before we can get relief from the frequently-recurring financial disturbances that derange the business and banking machinery of the country and cause such widespread distress.

But there are earnest and conscientious currency reformers who are not prepared to go the full length of Mr. FOWLER's proposals at the present time. They must either be converted to his views, or a concession made to their conservatism.

One thing is certain: Nothing will be accomplished until there is a union of the Merchants' Association movement and that inaugurated by the American Bankers' Association. These two wings of the currency reform army will have to join in battle against the forces led by Mr. ALDRICH, or the latter will remain in possession of the field. Unless this fact is clearly perceived, the proposed convention will be of no practical value.

BUSINESS men are vitally interested in a proper settlement of the currency question. Under our present system they are unable to count with any assurance upon the continuance of those stable conditions which are so highly desirable for the successful prosecution of business enterprise. To-day the merchant or manufacturer who lays his plans most carefully may at any time have them upset by a panic caused by a culmination of stock speculation or by the failure of some bank or trust company. That our legitimate operations of trade and industry should be at the mercy of such events is a reflection upon the country's intelligence. It is high time that these conditions were ended.

The Merchants' Association of New York, under the sagacious leadership of Mr. PAGE and Mr. BUSH, has rendered excellent service to the cause of bank currency reform. We feel assured that the proposed convention to consider this subject further will be productive of great good.

THERE is just one discouraging element in the situation—the indifference of the ruling element in the Republican party to the opinions of anybody outside the Wall Street clique that controls that organization. Can this indifference, amounting to open contempt, be removed in any other way than by the party's defeat? We doubt it very much.

The Aldrich-Vreeland law was a most wanton outrage upon the business community. It never could have been perpetrated but for the support it received from THEODORE ROOSEVELT and WILLIAM H. TAFT. The party platform did not repudiate this Wall Street measure but commended it. Yet it was denounced by practically every banking and financial authority in the country. It was but little, if any, better than free silver or unlimited greenbacks. It favored speculation and ignored legitimate business needs. It placed enormous powers in the hands of the Secretary of the Treasury and made it possible for him to favor certain banks. It violated nearly every sound principle of banking currency, and benefited nobody except speculators and bond dealers. And it is doubtful if the recommendations of the Monetary Commission offer anything much better. A central bank will probably be proposed that will have a monopoly of note issues and of handling the public funds, all for the benefit of the same interests that profited by the Aldrich-Vreeland law.

Under these circumstances we see no hope for the cause of currency reform save through the defeat of the Republican party. Nothing can be expected of the Democratic party while led by Mr. BRYAN, who does not have the most elementary understanding of a bank-note currency. But Republican defeat might rescue that party from the domination of the financial interests who rule it and who are intent on using the taxing powers of the Government for their own profit.

JUST before leaving for Europe with some of the members of his Monetary Commission, Senator ALDRICH told a newspaper representative that it was not expected that the provisions of the Aldrich-Vreeland law would be permanent, but that the act would in time be superseded by legislation establishing a comprehensive monetary system.

We should like more specific information. By "a Comprehensive Monetary System" does Mr. ALDRICH mean that he will allow the use of railroad

bonds as security for bank notes, or that he will enlarge the authority of the Secretary of the Treasury in managing the banks, or that he will permit a few more banks to get a share of public deposits—or what does he mean?

One thing seems certain, judging from recent financial history: The Monetary Commission will not recommend any legislation that will lessen the grip of certain financial interests upon the Treasury of the United States.

PROTEST against the disgraceful compromise known as the Aldrich-Vreeland law is forcefully made in a pamphlet by ARTHUR REYNOLDS, entitled "The Unsettled Currency Problem." Mr. REYNOLDS is president of the Des Moines (Iowa) National Bank and a member of the Currency Commission of the American Bankers' Association. In the pamphlet referred to he makes a strong plea for a credit currency and states the principles involved clearly and with absolute correctness. If the members of Mr. ALDRICH's Monetary Commission would study this presentation of the case attentively, they would learn far more than they will in gallivanting about Europe. They could not find support for a central bank nor for a bond-secured currency, because Mr REYNOLDS rejects both these proposals; but they would get a clear idea of what credit currency means and how it has worked in this country and elsewhere. In other words, they would get at the truth, which may not be what they are looking for.

Mr. REYNOLDS has made an able statement of the case for credit currency. His views are sound and practical, and the cause of currency reform would be immensely helped forward by placing this pamphlet in the hands of every voter in the country.

We should especially like every banker to read what Mr. REYNOLDS says about the treatment received by the Currency Commission of the American Bankers' Association at the hands of Senator NELSON W. ALDRICH, Chairman of the Committee on Finance.

The denunciation of the Aldrich-Vreeland law made by Mr. REYNOLDS rings out clear and true. It is worthy of the best spirit of American banking, and must exercise a powerful influence in rightly shaping public opinion.

ONE of the developments arising from bank failures in the United States has been a form of corporation designed to gather up the fragments of a broken bank, patch them together, and either put the disabled institution on its feet again or provide the funds necessary to pay the claims of depositors.

Gentlemen in straitened financial circumstances have long enjoyed the prerogative of appealing to a close relation for assistance, and it is difficult to see any reason why a needy bank might not pursue the same course. We already have a currency law which permits a bank to "hock" its securities under the pretence of "issuing notes," and why would it not be just as logical to let the State banks and trust companies pawn their bonds and stocks for real cash as it is to allow the national banks to put up their securities in exchange for printed pieces of paper which look like money but are not money?

True, in either case, it would be taking property held for a specific purpose and applying it to a different purpose, but it is foolish in carrying out a grand scheme like this to be

bothered by such old-fogy considerations.

It is to be hoped that the Monetary Commission will extend the pawnshop principle already provided for in the Aldrich-Vreeland currency law.

BOTH of the leading Presidential candidates have now made their bids for popular support through their respective letters of acceptance.

Disregarding the adroit appeals to partisan prejudice, there seem to be two points left in the letters that deserve attention.

In order to get the labor vote, both parties deemed it necessary to make an attack upon the courts. Naturally, the Democrats being out of power went to the greater length. Therefore, while both platforms are demagogic and dangerous in this particular the attitude of Mr. TAFT shows him to be possessed of sound ideas respecting our judicial institutions. He believes that their authority should be preserved—an opinion that is clearly correct unless we are going to upset our whole governmental machinery. The effectiveness of judicial proceedings would be seriously impaired if not wholly destroyed in many cases by limiting the right to issue injunctions in the manner proposed in the Democratic platform.

If the writs of a court are to be subjected to a jury trial before becoming operative, there is an end to the authority of the courts. We can, of course, if we choose, destroy the courts; but at least it should be done by constitutional amendment.

In upholding the authority of the courts, Mr. TAFT appears to the best advantage, and we can find nothing in his letter of acceptance that ought so strongly to appeal to the thoughtful voter. Since the conservation of property is essential to the prosperity of labor, it is difficult to understand how the workingmen of the country could derive any benefit from a policy that would render property any less secure.

Mr. BRYAN makes one strong and valid plea for support when he asks the question, "Shall the people rule?"

It can hardly be doubted that the control of the Republican party has drifted into the hands of an oligarchy. Public opinion is defied by this combination, and the general welfare disregarded. The taxing powers of the Government and the public funds are used for the benefit of this inner circle. Long lease of power has made the real rulers of the Republican party arrogant and corrupt—not, perhaps in the sense that they openly share in the profits of the game—but that they shape legislation in the interest of those who may be expected to furnish the most contributions to the party war-chest.

Any party so ruled deserves defeat. If an unprejudiced choice were to be made, based solely upon the qualifications of the two candidates, Mr. TAFT would certainly win. But honest Republicans who are disgusted with the course of the bosses who now rule the organization, may prefer BRYAN with all his vagaries to a perpetuation of control by the existing oligarchy.

NATIONAL banks in Oklahoma cannot participate in the deposit-insurance plan now in force in that State. Such is the recent opinion of the Attorney-General of the United States.

It is announced that this opinion is to be followed by an action on the part of the Comptroller of the Currency to annul the charter of a national bank in Oklahoma which has participated in the deposit-insurance plan.

If the purpose of this suit be merely to establish a legal precedent, it is proper enough. But bankers who are familiar with the practice of the Comptroller's Bureau for years in permitting violations of the law which, according to at least one Comptroller's statement, are the chief cause of bank failures, without a single suit being brought for annulment of charters of the offending banks, will wonder why there should be such hot haste to punish a bank that desires to protect its depositors from loss, while the bank whose violation of the law tends to failure and insolvency is unmolested by the authorities at Washington.

WHILE the officers of some old-established banks with all the business they can handle continue to declare that the proposed insurance of bank deposits is foolish and impracticable, thoughtful men, both inside and outside the banking business, are studying the question calmly and endeavoring to get at the real truth of the matter. They see that nearly all our panics are marked by a loss of confidence in the banks, resulting in suspension, and greatly aggravating the distrust and suffering.

Is it practicable to devise some method whereby these panics, with their consequent disasters, may be prevented so far as their causes may be traced to a distrust of the banks?

Primarily, of course, the origin of panics comes from other sources, but the panic itself is aggravated, if not produced, by a lack of confidence in the banks. Conditions may be ripe for a panic, but the crash itself is generally brought about by the failure of some large bank or trust company. What follows, in this country, is too well known to require explanation.

With all our experience is it possible to find any remedies that will prevent these disasters, or must they be endured like many unavoidable natural calamities?

From a strictly logical standpoint, we suppose investigation of the problem ought to begin at the root of the difficulty; that is, at the underlying causes of panics. Are they due to over-trading? Then, if possible that should be checked. Do the banks extend credit too freely and thus foster undue extension of enterprise? If so, the banks should be compelled to keep a larger proportion of reserves. The list of questions and corrective remedies along this line might be extended indefinitely, nor need the investigation prove fruitless.

Probably if people would not buy what they cannot pay for, and if banks did not extend more credits than they could cash as demanded, we should have no panics.

Probably, also, if all the people in the world were spotless saints, the coming of the millennium might be predicted with greater exactness than is now possible.

Dealing with conditions as they are, and not as they ought to be, practicable measures for staying the spread of panics must relate chiefly to the point where the distrust manifests itself. In other words, the loss of confidence in our banks which so greatly aggravates the panic, if it be not the immediate cause of it, must be avoided.

There are those who contend that panics are desirable in order to bring a halt to speculation and extravagance. That a check of some kind should exist cannot be denied. But must the entire business community suffer for the sins of others? In other countries commercial panics are not unknown, but the method of adjustment is not through the failures of the banks.

The problem under discussion is dealt with elsewhere in this issue of the MAGAZINE in a very practical way by Mr. F. E. LYFORD, president of the First National Bank of Waverly, New York. Mr. LYFORD's remedy is the insurance of bank deposits, and he presents some strong arguments in support of this proposal. That the insurance of deposits would encourage reckless banking he disposes of on the common-sense ground that banks are conducted for the profit of shareholders, and the insurance of deposits would not absolve the shareholders of a bank from the liability of being assessed to pay losses incurred through reckless banking.

Mr. LYFORD also shows that the banks could well afford to pay the moderate tax necessary to provide an effective system of insurance. Possibly, if the banks could be convinced that the insurance of deposits would be profitable, they might consent to waive some of the nice scruples now entertained in regard to the "encouragement of reckless banking."

THAT President ROOSEVELT would be dissatisfied with the reversal of Judge LANDIS's decision in the Standard Oil case was to be expected. Nor can anybody feel surprised at the President's indignant outburst when the reversal was announced. "There is," he says, "absolutely no question of the guilt of the defendants." Of course not. In his mind no doubt whatever exists about anything. He is always cocksure.

The President further says that he "would regard it as a gross miscarriage of justice if through any technicalities of any kind the defendants escaped the punishment which would unquestionably have been meted out to any weaker defendant who had been guilty of such offence."

This is not the language of a demagogue seeking office, but it is a pronouncement by the President of the United States, who might be expected to speak with some. slight degree of soberness and sense.

Whether the defendants were guilty or not will be finally determined by the courts and not by THEODORE ROOSEVELT. Nor will the judicial authorities feel compelled to decide in favor of the Government simply because the defendants happen to be wealthy.

It is hoped the Standard Oil Company may get whatever punishment it may deserve. But just what that is will have to be settled in the manner appointed by the Constitution of the United States. This is annoying, especially just now when a knock-out blow for a great trust would have supplied such fine campaign material for Mr. TAFT.

THE convention of the American Bankers' Association to be held at Denver the last week in September ought to be exceptionally interesting. There is hardly a city in the United States more agreeable to visit, and the neighboring country offers scenic attractions of great beauty and grandeur. Colorado is a land of immense natural resources, and its people are enterprising and progressive.

The work of this year's convention ought to be of special importance. The bankers of the United States possess the true American spirit, and they can hardly be expected to submit in meekness to the treatment they have received from Congress. The discourtesy offered to the Currency Commission of the American Bankers' Association by the Chairman of the Finance

Committee of the United States Senate should call forth a strong and dignified protest from the Denver convention. The bankers of this country represent the great business interests, and their views are entitled to respectful consideration.

The rulers of the Republican party chose to spit upon the bankers, ignoring them and treating their opinions with the utmost contempt. It is to be expected, since the bankers are men and not mice, that they will not only denounce those responsible for this treatment, but that they will administer punishment to those responsible for it.

Many routine matters of importance will come before the Denver convention. We shall watch with especial interest the deliberations of the Clearing-House Section.

The experiences growing out of the late panic ought to be compared and made the basis of union and co-operation among the banks of the country through their respective clearing-house associations. Nothing is clearer than the necessity for such co-operation to prevent the spread of panic. When the reputable banks of the United States (and there are but few of any other kind) make up their minds that they are not going to fight against one another in time of panic but that they are going to stand together and support even the weakest; and when the clearing-house associations provide the means of making this determination effectual, we shall see an end to bank panics in the United States.

The clearing-houses, too, might be organized so that they could issue emergency currency—if such currency must be issued at all—much better than the currency associations. Those who govern the operations of the clearing-houses know a great deal more about the currency needs of their communities than the Secretary of the Treasury can possibly know.

And there is the matter of bank examinations, already taken up by some of the clearing-houses. This work could be extended through the various cities and states until it would be practically impossible for the rascally-inclined banker to carry on his operations for any length of time.

Will the Clearing-House Section of the American Bankers' Association have the statesmanship to deliberate and wisely act upon these problems at Denver, or will it devote its time to a consideration of the fees to be charged for the collection of out-of-town checks?

SENATOR ALLISON'S death recalls the fact that his name, like that of JOHN SHERMAN, was linked with unsound silver legislation in the popular mind. As a matter of fact, although the name of Senator ALLISON was coupled with the Bland-Allison law, which injected several hundred millions of silver dollars into the country's circulating medium, the Iowa Senator actually defeated the enactment of a law that would practically have put the country on the silver standard. Senator SHERMAN also, whose name was linked with the silver-purchase law, performed a somewhat similar service.

While both SHERMAN and ALLISON rendered their country great service in preventing a plunge to the silver basis, neither possessed the qualities of leadership required to place the country's banking and currency systems upon the sound rock of gold and commercial credit. They defeated free silver, but they temporized with silver and greenbacks and left us a heritage of bad financial laws of which we may not be completely rid for a long time to come. Yet, dealing with conditions

as they existed in their day, Mr. ALLISON and Mr. SHERMAN are entitled to an honorable place in American history for thwarting attempts to debase the country's credit and smirch its financial honor.

JOURNEYING abroad to get information is a favorite expedient of Americans. People who have never seen one-fourth of their own country rush over to London or Paris, intent on "seeing the sights." AGASSIZ was so busy studying the rocks in his back yard that he denied himself a European trip. EMERSON thought that traveling did no good unless one took the right kind of mind along.

The Monetary Commission with Senator ALDRICH as cicerone has been "doing" "furrin parts." We hope the trip may do Mr. ALDRICH and his colleagues much good. They seem incapable of learning anything at home. Possibly the atmosphere of Piccadilly or the Rue de la Paix may be more conducive to the acquirement of financial wisdom.

The members of the commission will find that the European banks, as a rule, do not issue bond-secured currency. They will find, also, that the Finance Ministers do not lock up public funds in boxes and sit upon them, and that they are not engaged in "aiding the money market."

We do not attempt to belittle the value of the lessons that may be learned from the study of foreign monetary and banking systems. They are not all adapted to our conditions, but most of them represent the world's best thought and experience, and they are worthy of the most careful study. But it may be doubted whether the members of the commission can learn anything abroad that they might not have learned at home. Furthermore, the disposition of the elements which the commission represents seems to be to ignore all the teachings of wisdom and experience. Imagine the financial legislation of the country being shaped by the men who control this commission! The history of currency legislation last winter and the appointment of the so-called Monetary Commission must be remembered with deep humiliation by every intelligent and patriotic American. But the remedy is to fight, and not to whine. Some day we shall pay the penalty of permitting ALDRICH and VREELAND to shape our currency legislation, and turn to FOWLER, GILBERT, FORGAN, WHITE and CONANT to point out relief.

EFFORTS to establish an American bank in South America are made from time to time, but without much success.

Consul-General Anderson in a recent report says: "It would be of assistance to American trade if a bank were established to cover business in Brazil and Argentina, and the undertaking would be profitable."

After discussing this suggestion at some length, the New York "Journal of Commerce" says:

"It is difficult to see where the special advantage would come in. It is to be presumed that the 'banking methods' of the competing European banks are adapted to getting the business they have to do and doing it as economically and profitably as possible, without discrimination as to where imports come from or exports go to or who offers paper for discount. The advantage, if any, would be likely to rest with those who best understood the conditions of trade and banking where the banks are established, and all are likely to encourage, so far as they can, any kind of trade from which they derive profit.

"If Americans were to undertake to

establish a bank at Rio de Janeiro or elsewhere in South America we fancy they would have to calculate upon competing with the other foreign banks on substantially equal terms and with no special advantage, and it is doubtful if they would be of any more assistance to American trade than the other foreigners. The idea that banking or shipping discriminates in favor of its own nationality is somewhat delusive. We should be glad to hear of an American bank successfully established in any part of the world, but it would simply have the banking of the rest of the world to compete with."

So far as ordinary banking transactions are concerned, the above is doubtless true enough. But would it not be somewhat different with a number of functions incidental to banking as it is carried on in the Latin-American countries?

Where a bank is a commercial agency, an instrument for promoting enterprise, and pushing the sale of goods, would there not be a tendency on the part of an American bank to favor Americans? Besides, is there not some community of interest that operates strongly to bind together all Americans resident in any foreign country?

The banking laws of the United States prohibit the establishment of branches of the national banks in foreign countries. Canadian banks are not so hampered, and they are getting much business in Cuba, Mexico and elsewhere that might go to our own banks but for the prohibition mentioned.

SPECULATION in securities has again been fostered the past summer by redundant currency accumulating at New York and the consequent low rate for call money.

Our banking machinery has fallen too much under the sway of the powerful manipulators of the stock market. They control the banks, and they dictate financial legislation. With the New York banks gorged with idle funds, and unlimited supplies of paper "money" available under the Aldrich-Vreeland law, there is no longer any healthful check to speculation. We have already commenced to ascend the precipice of over-trading and speculation; and now that the facilities for carrying on the game have been enlarged, the next disaster will be commensurately more severe.

YOUTH is popularly supposed to be the time of magnificent visions and dreams. Then Fancy, unbridled by experience or hard contact with cold facts, may indulge itself without restraint. Yet in these days, when the times are out of joint, conditions seem reversed—wisdom appertains to youth and inexperience, while the old or middle-aged are romancers and dreamers. So long as the dreams of age shall be restrained by the mature wisdom of striplings, the country will still be in no danger.

At the late convention of the American Institute of Banking, Mr. EDMUND S. WOLFE of Washington undertook to criticise the currency and banking bill introduced in Congress last winter by Mr. FOWLER, chairman of the Banking and Currency Committee of the House. Mr. WOLFE began by describing the impressions received at the time he first met Mr. FOWLER. "He impressed me," he says, "as being unusually able, enthusiastic and strong of purpose, but impractical and a dreamer." And then he goes on to consider in detail the "impractical" suggestions of this enthusiast and dreamer.

We dislike to stir the fancy of this unimpassioned critic who with his pow-

erful logic, keen analysis and matchless arguments drawn from the storehouse of experience and lifelong study so swiftly demolishes the baseless fabric of Mr. FOWLER's currency dreams, but we must remind him that the dreamers are not to be despised. Hannibal, Caesar and Alexander dreamed of the empires that they won. Galileo and Copernicus dreamed of the secrets of the worlds they discovered. Newton dreamed of the law of gravitation. Napoleon dreamed of the Alps, of Egypt and of the conquest of Europe. Shakespeare dreamed of all lives, of all deaths. Columbus dreamed of a new route to the East and discovered a continent. Edison dreamed of light. Roebling dreamed of a spider's web spun across the East River, on which millions now cross in safety. Hamilton and Madison dreamed of a nation. Lincoln, Garrison and Phillips dreamed of liberty. From immemorial time until yesterday, warriors, statesmen, poets, painters, sculptors, have dreamed, and their dreams have become empires, nations, immortal works of beauty, and human liberty enthroned.

The statesman who sees a few inches ahead of his nose may be a dreamer compared with the time-serving politician who always seeks to creep along at a safe distance behind public sentiment, but it does not follow that his dreams may be "impractical."

When the principles for which Mr. FOWLER has fought so long and so ably shall be incorporated in our laws —as they will be whenever intelligence rules in shaping our currency and banking legislation—it will be seen that the "dreamer" was really the most practical man in the country.

CRISES and depressions are regarded by many as unavoidable evils. Perhaps this may be true so long as such wide differences of opinion exist as to their cause. Theorists have less difficulty in explaining crises than the more or less lengthy periods of depression that succeed them.

In a new work just issued by The Bankers Publishing Company, entitled "A Neglected Point in Connection with Crises," the author, Mr. N. JOHANNSEN, endeavors to fill up the gap in this branch of economic theory. He deals particularly with the influence of the saving activity on business prosperity, and attaches great importance to the method in which savings are invested at times of depression. Some of the views advanced appear quite novel, but they seem well founded and are sustained by a wealth of facts and arguments.

If the true cause of depressions has never been found, and that is what Mr. JOHANNSEN believes, the attempts heretofore made to provide a remedy were bound to fail, unless by a fortunate accident.

Whether one agrees with this new treatise or not, it must be recognized as a substantial contribution to the literature of a branch of economies which treats of subjects that are of profound and vital interest.

Mr. JOHANNSEN is the author of another somewhat similar work, printed in the German language, which received favorable criticism from leading German economists.

SENSIBLE ideas on banking abound in the address delivered by Mr. E. D. HULBERT, president of the Merchants' Loan and Trust Company, Chicago, before the recent convention of the American Institute of Banking at Providence. He criticized Mr. CARNEGIE's characterization of our banking system as "the worst in the world," and declared that the wonderful material progress of the United States was largely due to our system of local indepen-

dent banks whose officers and directors are vitally interested in the upbuilding of their respective communities. That statement is borne out by the facts. No system of branch banking can possibly accord the same local benefits as are now enjoyed under our present system of banks independently owned and managed. By adopting the branch system we might gain something in safety, but it is by no means impossible that equal safety may be obtained in some other way without sacrificing the advantages appertaining to the present system. We do not entertain the slightest doubt that the benefits conferred upon our business communities by the freedom of the banks have outweighed many fold all the losses incurred.

Mr. HULBERT perceived another truth in regard to banking that is sometimes overlooked, namely, that money in use as bank reserves is not idle. "It is a mistake," he declared, "to say that reserves carried in a bank vault are idle money. That money is no more idle than the foundation stones of a house are idle."

Yes, and it is precisely because some banks want to build up enormous credit structures without proper foundations in the shape of cash reserves that they find themselves unable to meet their obligations. Mr. HULBERT favored the limitation of a bank's liabilities to some reasonable multiple of its reserves.

The address of Mr. HULBERT throughout was replete with sound banking doctrine which bankers as well as bank clerks may study with interest and profit.

CURRENCY PLANKS OF THE TWO PLATFORMS.

BELOW are presented, for purposes of comparison, the financial planks of the two great political parties:

REPUBLICAN.

We approve the emergency measures adopted by the government during the recent financial disturbance, and especially commend the passage by Congress at the last session of the law designed to protect the country from a repetition of such stringency. The Republican party is committed to the development of a permanent currency system, responding to our greater needs; and the appointment of the national monetary commission by the present Congress, which will impartially investigate all proposed methods, insures the early realization of this purpose. The present currency laws have fully justified their adoption, but an expanding commerce, a marvellous growth in wealth and population multiplying the centres of distribution, increasing the demand for the movement of crops in the West and South, and entailing periodic changes in monetary conditions, disclose the need of a more elastic and adaptable system. Such a system must meet the requirements of agriculturists, manufacturers, merchants, and business men generally, must be automatic in operation, minimizing the fluctuations in interest rates, and, above all, must be in harmony with that Republican doctrine which insists that every dollar shall be based upon, and as good as, gold.

We favor the establishment of a postal savings bank system for the convenience of the people and the encouragement of thrift.

DEMOCRATIC.

The panic of 1907, coming without any legitimate excuse, when the Republican party had for a decade been in complete control of the Federal government, furnishes additional proof that it is either unwilling or incompetent to protect the interests of the general public. It has so linked the country to Wall Street that the sins of the speculators are visited upon the whole people.

While refusing to rescue the wealth producers from spoliation at the hands of the stock gamblers and speculators in farm products, it has deposited Treasury funds without interest and without competition in favorite banks. It has used an emergency for which it is largely responsible to force through Congress a bill changing the basis of bank currency and inviting market manipulation, and has failed to give to the 15,000,000 depositors of the country protection in their savings.

We believe that in so far as the needs of commerce require an emergency currency such currency should be issued and controlled by the Federal government and loaned on adequate security to national and State banks.

We pledge ourselves to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent national bank under an equitable system which shall be available to all State banking institutions wishing to use it.

We favor a postal savings bank if the guaranteed bank cannot be secured, and that it be constituted so as to keep the deposited money in the communities where it is established. But we condemn the policy of the Republican party in providing postal savings banks under a plan of conduct by which they will aggregate the deposits of rural communities and redeposit the same while under government charge in the banks of Wall Street, thus depleting the circulating medium of the producing regions and unjustly favoring the speculative markets.

THE MONETARY SYSTEM OF JAPAN.

How She Got Rid of Her National Bank Notes and Went on the Gold Standard.

By Charles A. Conant.

JAPAN tried to carry out the American plan of independent national banks issuing notes secured by the deposit of government bonds, but soon found herself in a sea of depreciated paper which injured the credit of the country abroad and introduced wide fluctuations in the exchanges at home. Japanese statesmen, at the head of whom was Count Matsukata, promptly decided to take energetic steps to adopt a different system. The result was the creation of the Bank of Japan, with a capital of 10,000,000 yen ($5,000,000) and with powers and by-laws closely modelled upon those of the National Bank of Belgium.[1] The life of the bank was fixed at thirty years, subject to renewal, and the ownership was limited to Japanese subjects, approved by the Minister of Finance. The bank is prohibited from becoming a shareholder in industrial corporations and the directors (meaning thereby the active managers) are not permitted to be officers of other banks or corporations. The governor and vice-governor are appointed by the state for terms of five years; the four directors are elected by the shareholders, subject to the approval of the Minister of Finance; but the auditors are chosen by the shareholders, without restriction. It is provided by the charter that "the government shall oversee the business management of the bank, and may not only stop acts which are contrary to the regulations or the by-laws, but also those which, in the opinion of the government, are contrary to the interests of the state."[2]

It was the avowed purpose of creating the new bank to overcome the evils of the depreciated bank paper with which the country had been flooded under the system of note issues by local banks secured by bonds. The steps taken were direct and effective and form an interesting example to any other country placed in a similar situation. The government had been gradually accumulating a specie reserve fund, which became large enough in 1885 to permit an announcement that after January 1, 1886, it would begin to be paid out in the redemption of government notes.[3] Equally important, however, was the withdrawal of the notes of the so-called national banks. These notes had reached an amount of 34,420,000 yen in April, 1880, and still stood at 20,501,484 yen at the close of 1885, when the notes of the Bank of Japan had begun to enter into circulation.

It was obvious that the new convertible notes could not be made to circulate in competition with a mass of inconvertible paper, forming a cheap method of making payments. Provision was made, therefore, for the assumption by the Bank of Japan of the entire note liability of the national banks. These banks were required to turn over their lawful money reserves to the Bank of Japan, and in addition to pay each year to that institution from their profits an amount equal to two and a half per cent. of their note issues. These sums were to be invested

1. The Adoption of the Gold Standard in Japan, 64.

2. Imperial Ordinance XXXII. of June, 1882, Art. XXIV.

3. The government did not hesitate to resort to taxation in order to obtain these funds. In 1885 several special taxes were levied, from which one-half of the surplus revenue "was devoted to the redemption of inconvertible paper money, while the other half was added to the reserve fund with the object of employing it for securing the importation of specie from abroad." — The Adoption of the Gold Standard in Japan, 70.

in securities and the interest was to be applied to the retirement of the notes of the national banks. Notes received in this way by the Bank of Japan were to be delivered to the Department of Finance for cancellation, and thereupon the bonds deposited as security were to be restored to the banks and the bond-secured system was to die a quiet death.[4] If, after fifteen years, there still remained national bank notes which had not been redeemed, the bonds in the custody of the Bank of Japan were to be sold to afford the means of redemption.

These measures, put in force by Imperial Ordinance of May 5, 1883, were soon supplemented by others. The Bank of Japan, which at the close of 1887, had already notes in circulation to the amount of 53,454,803 yen ($26,790,000), was authorized by the ordinance of August 1, 1888, to increase the limit of its authorized circulation to 70,000,000 yen, and this limit was further raised on May 16, 1890, to 85,000,000 yen. Of this amount, 27,000,000 yen was to be used for the redemption of the national bank notes, and a loan of 22,000,000 yen was to be made to the government for the purpose of cleaning up the government notes. By the close of 1897 these notes outstanding had fallen to 7,451,098 yen, national bank notes stood at only 5,024,728 yen, and the convertible notes of the Bank of Japan had risen to 226,229,058 yen. It was felt that the time had come to give the *coup de grace* to the old notes. This was done by an Act of June 10, 1898, forbidding the circulation of the government notes after December 31, 1899, and by a series of laws passed somewhat earlier for winding up the note-issuing functions of the national banks and converting them into private joint stock banks.[5]

Success marked every stage of the operations of the Bank of Japan to bring order into the conditions affecting the paper currency. So evident was this success, even before the reform was completed, that the bank was authorized in August, 1895, to increase its capital to 30,000,000 yen ($15,000,000). An increase of capital took place also at the Yokohama Specie Bank in March, 1896, from 6,000,000 to 12,000,000 yen, and in September, 1899, to 24,000,000 yen. At about the same time (March, 1899), the Bank of Japan was given authority to again increase the limit of its authorized circulation—this time to 120,000,000 yen ($60,000,000). Of the new issues of 35,000,000 yen, 15,000,000 was to be employed in facilitating rediscounts at home and exchange operations and 20,000,000 in aiding the Specie Bank in promoting trade with foreign countries.[6]

Japan originally employed both gold and silver money, but was driven to the silver standard when the restoration of specie payments was attempted in 1882 and suffered inconvenience by the great difference of exchange with gold-using countries. There was serious discussion of the currency problem and some agitation in favor of the gold standard. A commission was appointed in September, 1893, to consider the existing state of the currency and the best standard for Japanese interests. The result of their deliberations did not prove harmonious and only individual reports were first submitted to the government. The theory that a high premium on specie stimulates exportations, and that its disappearance removes this stimulus, has not been directly verified in the case of Japan. Exports were steadily increased, in spite of the rise in value of the paper money; but this phenomenon is partially explained by the fact that the rise of paper in relation to silver was neutralized by the fall of silver in relation to gold, which left the paper money in something like its old relation to the gold standard of other countries.

4. Ibidem, 80.
5. Ibidem, 89-94.
6. The Post-Bellum Financial Administration of Japan, 248-51.

The war indemnity paid by China under the treaty of Shimoneseki (April 17, 1895) afforded a means to Japan, as the French indemnity had to Germany in 1870, of establishing the gold standard without imposing serious financial burdens on the country. It was proposed by the Japanese government that the amount of this indemnity, fixed originally at 200,000,000 Kuping taels, should be converted "into English money at the rate of exchange equal to the average ratio of the price of silver bullion to that of gold bullion in the London market during the three months previous to the day the method of payment of the war indemnity is agreed to between the two governments."[7] This proposition was accepted by the Chinese government; the weight of the tael was fixed at 575.82 grains of pure silver, and exchange was computed upon the basis of quotations in the London market for June, July, and August, 1895. The result was an average price per ounce of 30.4429 pence, London standard (0.925 fine), and the indemnity worked out at £32,900,980.

"Since now (it is naively declared by the official report on the subject) the way was opened for the creation of a gold reserve, the Finance Minister, Count Matsukata, seeing that the time was fully ripe for putting into effect the plan of coinage reform, on February 25, 1897, submitted the drafts of the coinage law, with its subsidiary laws, to the Cabinet Council."[8] Before this time (in July, 1895) the majority of the commission had reported in favor of the gold standard and the accumulation of a gold reserve. Count Matsukata had anticipated also the favorable action of the cabinet by beginning to bring gold bullion and British gold coin into Japan. These operations, involving some risk of disturbance to the exchange market, extended from January 11, 1896, to March 31, 1899, and were aided by the Bank of Japan and the Yokohama Specie Bank.[9] In the meantime, so complete was the mastery of the ministry over the Diet, that the project of law introduced on February 25 was favorably reported on March 10 to the lower chamber, received its first reading in the House of Peers on March 15, and became law on March 26, 1897.[10]

The monetary reform practically gave fixity to existing conditions of exchange, as had been done in Austria and Russia. The amount of gold in the yen was reduced by one-half and the silver yen, which had been the common medium of circulation, was fixed theoretically at the weight of 26.956 grams, nine-tenths fine, with a relation to gold of one to 32.34.[11] Hence it was argued no change in the existing level of prices would result from the change of standard and the old silver yen would circulate side by side with the new coins of gold.[12] No allowance was made for a possible rise in silver, but it was rather assumed that the action of Japan in abandoning the metal as a standard would accentuate its downward course. Gold coins were offered for the old silver yen, which were called in and recoined into subsidiary pieces or sold

7. This contract, amazingly advantageous to Japan, is attributed to a suggestion in May, 1895, by Count Matsukata, then finance minister, to Count Ito. A memorandum was subsequently drawn up, seeking to show the losses to China through the rise in the price of silver if she sought to deliver the metal to Japan. A slight concession was made from the weight of the tael as originally proposed by Japan. Vide The Adoption of the Gold Standard in Japan, 168-72.

8. Ibidem, 174

9. Of a total sum of £30,476,642 in English currency which was transferred, £15,811,261 was remitted by drafts, £3,090,504 was sent in silver, and £11,574,876 was sent in gold bullion, of which £7,733,517 was received before September 30, 1897, and promptly converted into Japanese gold coins.—The Adoption of the Gold Standard in Japan, 225.

10. The Adoption of the Gold Standard in Japan, 192.

11 The value of the new yen in United States currency was 49.8 cents.

12 Cf. Bourguin, in Revue d'Economie Politique, 1897, XI, 716.

as bullion.[13] The process of exchange was permitted only from October 1, 1897, to July 31, 1898, but was so complete that no reports reached the authorities of any of the old money which failed to be exchanged. Some of the foreign banks, fearing that the reform might not succeed, issued a circular in July, 1897, reserving the right to pay depositors in gold or silver at their option, but the Bank of Japan and the Yokohama Specie Bank exchanged their silver in bulk for gold on or about October 1, 1897, and began to make their payments in gold.[14]

The determination of Japanese financiers to make the adoption of the gold standard absolute led to the suspension of coinage of pieces of one yen in silver, the limitation of the legal tender quality of silver to 10 yen, and the effort to force gold into general circulation. The new system would probably have been easier to maintain if a larger place had been left for silver in the circulation, as was done in British India and the Philippines, and if reliance had been placed to some extent upon exchange funds abroad instead of the segregation of gold at home. The high value of the gold coins made them ill adapted to the smaller transactions of the country. They gradually found their way into the coffers of the Bank of Japan, when they were not exported, and were represented in the circulation by the paper notes of the banks.[15]

The prediction that trade with silver using countries would decline by reason of the adoption of the gold standard did not find any confirmation in events. Silver prices had risen on the average about 50 per cent. between 1873 and 1894, rents at Tokio more than one hundred per cent. and wages about 33 per cent. The stereotyping of these conditions by the adoption of the exchange rate of the day did not check Japanese exports to England, which more than doubled from 1897 to 1902, while exports to the silver-using country of China increased in a somewhat greater ratio.[16] Economic activity was greatly stimulated by the change of standard, a closer relation was established with the money markets of the world, and foreign capital began to be attracted towards the country.[17]

Notwithstanding these favorable symptoms there were circumstances which threw a doubt on the question, whether the economic resources of Japan were ripe for maintaining the new monetary system in the form in which it was adopted. The large imports of foreign goods led to a drainage of gold which was only checked by the negotiation of loans abroad. Exports of gold exceeded imports by a total of about 42,800,000 yen during the three years ending with 1900, and the estimated gold stock of the country outside the Bank of Japan fell to 52,030,394 yen ($26,450,000).[18] One

13 The total amount redeemed by the government was 75,093,822 yen ($37,500,000). Of this amount 27,567,012 yen was recoined into subsidiary coins; 6,740,148 yen were taken to Formosa, Korea, and elsewhere; and 40,786,662 yen were sold as bullion, chiefly in Shanghai and Hongkong. The profit on the subsidiary coinage more than offset the loss on bullion sold.—The Adoption of the Gold Standard in Japan, XI.

14 Paultre, in Questions Monetaires Contemporaines, 757.

15 Dumolard declared in 1903 that during a sojourn of several years in Japan, he had never had the good luck to receive a single piece of gold.—Le Japon, Politique, Economique et Social, 105.

16 Pallain, 162-64. This writer declares that "during the period of the monetary depreciation (up to 1897) while the premium on exchange should, according to some, have acted as an increase in the customs tax and an encouragement to exportation, the increase in importations came chiefly from gold standard countries, like England, while the exports of Japan to these same countries increased in a feeble degree."—Les Changes Etrangers et les Prix, 166.

17 The Post-Bellum Financial Administration of Japan, 197.

18 Financial and Economic Annual of Japan, 1906, 152. I remarked on the more favorable estimate of 1899, which was 93,360,986 yen, or a little more than one dollar per capita, that it "was perhaps an inadequate basis upon which to inaugurate the gold standard."—Special Report on Coinage and Banking in the Philippine Islands, 18.

of the objects of establishing a stable exchange was apparently accomplished, however, in attracting foreign capital, as shown by the increase in the capital of stock companies from 532,522,377 yen at the close of 1897 to 887,606,190 yen at the close of 1903. Government loans were placed in London in 1899 and 1902, and funds on deposit there were employed from time to time as exchange funds for protecting specie reserves at home.[19]

The resources of Japan were put to a severe test in the war with Russia, but it was a test from which the Bank of Japan and the new monetary system emerged without discredit. The government leaned strongly upon the bank in finding means for carrying on the war. It was declared in the annual report for 1905 that the bank had discounted Treasury bonds for 258,940,000 yen and commercial paper for 301,845,010 yen and that it had bought gold and silver to the amount of 686,000,000 yen.[20] Its advances to the Treasury on current account, which amounted on the average for 1903 to 19,900,000 yen, reached on June 11, 1904, the amount of 34,300,000 yen, but was reduced on August 13, as the result of the loan in London, to 19,000,000 yen. Advances by the bank to the State, which had been on the average of 1903, 36,900,000 yen, reached on June 4, 1904, 96,000,000 yen,—an amount in excess of the gold stock; but they also were reduced from the proceeds of the foreign loans.[21]

Gold began to leave the country rapidly and only the energetic action of Mr. Takahashi, vice-governor of the bank, in obtaining large loans in London and New York, averted the exhaustion of the bank's specie resources. The specie reserve on May 31, 1904, had fallen to 68,087,261 yen ($34,000,000), gold exports ran for four months at an average of 14,000,000 yen per month, and the exchange value of the yen declined to 2 shillings and one-eighth pence.[22] Conditions changed with the subscriptions for the loans. The public were called upon to bring their gold to the bank and the government transferred to its vaults a portion of the proceeds of the payments made in London and directed that it be added to the reserves.[23] The lowest point subsequently touched by the specie reserve was on December 31, 1904, when the amount was 83,581,226 yen; but it was restored from the proceeds of new loans and did not again fall below 100,000,000 yen.

A device for meeting currency demands in Manchuria was adopted by the government of Japan similar to that adopted by Russia. This was the issue of "war notes" expressed in yen, but redeemable in silver. They were issued in denominations as low as ten sen (five cents) and as high as ten yen ($5.00). While their circulation was not permitted in Japan, they obtained a wide currency in Korea as well as in Manchuria, and arrangements were made to convert them on favorable terms into gold, especially when received by Japanese merchants for goods sold in Manchuria.[24]

The business of the Bank of Japan is done largely through its note issues, as in the case of the Bank of France. Not only is the deposit system a thing of recent growth in Japan, but such private deposits as exist find their way more generally to the joint stock banks than to the central bank.[25] As the result of the war

19 The Post-Bellum Financial Administration of Japan, 225.

20 Raffalovich, Le Marche' Financier en 1905-06, 578.

21 Hefferich, 119. The German author declares that Japan availed herself in a very large measure of the central bank to meet her needs for money and for a certain time even to the utmost possible limit.—Les Finances des Belligerants, 122.

22 Le Marche' Financier en 1904-05, 615.

23 Report on the War Finance, 23.

24 Report on the War Finance, 23.

25 The Yokohama Specie Bank had deposit balances at the close of 1905 of 110,295,323 yen and 1713 other banks 657,292,232 yen.—Financial and Economic Annual of Japan, 1906, 142.

and the magnitude of the enterprises carried on by the government, especially since it took over the tobacco trade and the railways, a large part of the resources of the Bank of Japan are absorbed in transactions for the State. Hence the relatively small amounts of private deposits and commercial bills discounted which appear in the operations of the bank.

The Bank of Taiwan was made the instrument of Japanese financial influence in Formosa in 1899. It was not at first deemed practicable to establish the gold standard in the island and a loan of 2,000,000 yen in silver pieces of one yen was made to the bank by the government. The capital of the bank, which was 5,000,000 yen, only half paid, was subscribed by the government to the amount of 1,000,000 yen.[26] The ratio of the silver coins to gold was fixed for a time by the authorities, but the system did not give satisfaction, and an ordinance was issued by the Formosan administration in July, 1904, authorizing the bank to issue notes redeemable in gold and suspending the legal tender quality of the silver yen. The limit of authorized circulation not covered by gold is 5,000,000 yen. Notes beyond this amount not fully covered are taxed at the rate of five per cent. The law governing the bank was revised in February, 1906, bringing its organization and the monetary system of the island into conformity with those of Japan.[27]

ANXIETIES OF THE PAYING TELLER.

THE money the paying teller of a bank handles each day is impersonal to him, says John M. Anderson in "The Saturday Evening Post." It has a character, of course, but it is a distinct character. The half-dollar in the teller's tray differs from the half-dollar in his own pocket; by contrast the silver piece in his pocket is as big as a cart wheel.

The ones, fives, tens, twenties, fifties, and one hundreds of notes—the gold and the silver that come, in the course of his daily duties, under his watchful care—are the materials of his trade. Items they are to be balanced upon and to be guarded with rigid exactness; but, while he is working with these materials he seldom regards them from the view-point of their having a purchasing power.

Peculiarly enough, however, there is, at all times, within the paying teller's mind a subconscious stress in regard to the care of this money. It is with him in his waking moments, it follows him in his sleep. Did he lock the safe when he came away? Did he leave a tray of gold out? As it is with a railroad engineer or a train despatcher, whose dreams are of haunted wrecks, so the paying teller will frequently in his sleep have a magnified nightmare that his box is open to the public, and that hordes of people are crowding about helping themselves to vast landscapes of bank notes while he stands helplessly by, paralyzed with fright, powerless to cry out or prevent the robbery. How often have I awakened from this tortuous visitation with the sweat pouring from my forehead! I am very sure that any one of the fraternity who reads this will verify its truth—that that old recurrent dream of being caught in a crowded street clad only in a flimsy suit of underclothes is a blissful vision by comparison!

THE MONEY QUESTION.

"Papa," began Gunston junior, "when the government of the United States began to coin gold and silver money it was necessary to buy the gold and silver, wasn't it?"

"Yes, my son," replied Gunston senior rather cautiously.

"Of course, papa," resumed the youngster, "you'll be able to tell me where the government got the money to buy the gold and silver."

"Why—er—of course," stammered Guston senior, as he put down the paper and gazed thoughtfully at the boy. "Now, let me understand you. The government wanted to coin money, and in order to do so it was necessary to purchase gold and silver? You want to know where the government got the money to buy the gold and silver?"

"That's right," chuckled Gunston junior gleefully, and a great joy filled his being as he thought of his all important sire struggling with the simple question.

"Why, sonny, the government simply issued dollar bills and bought gold and silver with them. Anything else?"

"Yes," said Gunston junior. "Where did the government get the money to buy paper for the dollar bills?"—*Harper's Weekly.*

26 The Post-Bellum Financial Administration of Japan, 246.

27 Financial and Economic Annual of Japan, 1906, 150.

LOANS ON COLLATERAL.

By Louis N. Spielberger.

WHILE preparing this paper, it was my endeavor to constantly keep in mind the thought that those likely to read it would want the subject treated in a practical way—from the view-point of the man who makes loans on collateral or who hopes to do so some day, therefore, no attempt will be made to treat it in any other form.

What the lender wants to know is whether the security is always present to protect the loan, and how is he to know that?

To be able to answer that question with certainty calls for a judgment and knowledge which we can only hope to attain, and we will, therefore, only attempt to point out a few of the essentials.

To say that a loan is secured by collateral generally carries with it the impression of positive security; but this fallacy will, we think, be considerably shattered after pointing out a few of the pitfalls likely to strew our way.

Aside from the market value of the securities pledged, there is also the necessity of knowing whether the certificates of stocks, bonds, warehouse receipts, bills of lading, and other kinds of collateral, are in proper form —whether the powers of attorney for transfer are in such shape as to insure a good delivery. Of these matters we will treat later.

No definite rule can be laid down for our guidance in passing upon collaterals because of the various forms in use and the many conditions surrounding them.

The nearest approach to perfect security is where the collateral is composed of mixed listed securities enjoying an active international market where large quantities of stocks being thrown upon it have no material effect upon values, and its opposite is the securities of the close corporation, not listed on any stock exchange, where it is generally necessary to depend upon an "insider" for a purchaser and which consequently gives it an uncertain market, if any.

A minority holder of stock in a close corporation is generally at the mercy of the majority interests, and although the corporation may be making handsome profits, the majority interests may see fit to vote themselves large salaries and thereby avoid paying dividends; without dividends, especially under the conditions named, the minority stockholders can find no market for their stock and even the "insiders" may not care to take it off their hands, because they can continue the use of the capital without any cost whatever to them—we have known of such cases.

There is also a class of bonds and stocks paying interest and dividends regularly and of intrinsic value, but not being listed on any of the exchanges, which only command a limited market, so that in times of stress they are likely to join that class known lately as "indigestible." To handle this kind of collateral calls for keen judgment, for otherwise the necessity may arise at any time for the carrying along of such securities for a long period pending an opportunity to unload.

Then again there are certain good, listed stocks of intrinsic value, but with only a moderately active market, the selling price of which may be materially affected if any large quantities are offered for sale. The question of margin enters quite largely into consideration on taking loans on collateral of this class, and it should be the policy of one finding it necessary to liquidate such loans to put out the securities in small blocks.

How to figure a margin is always interesting; twenty to twenty-five per

cent. is generally considered to properly safeguard a loan, and so it does, provided, of course, the securities are well mixed and a good sprinkling of high priced stocks is among the collateral.

The best way to fix a proper margin is to take each stock separately and place upon it your own estimate as to a probable low price; for certainly a stock selling for five dollars a share on a twenty per cent. margin is an entirely different proposition from one selling at one hundred and fifty dollars a share, with the same margin. In the first instance you only have one dollar as margin, while in the second instance you have thirty dollars: a fluctuation of one dollar a share would be very likely to occur, while a drop of thirty dollars a share would be unusual, therefore, it must be plain that a percentage margin may not be adequate.

The same rule should apply to substitutions; to withdraw high-priced securities and substitute low-priced ones on the same percentage of margin would undoubtedly materially change relative values that may prove fatal.

There have probably been more losses sustained by lenders on loans where only one kind of collateral is pledged than on almost any other. This is especially true when a few people are the controlling factors in certain corporations and have been holding up the market, for when a slump comes it generally carries down with it those who have fathered the issue and leaves the lender with only the collateral to look to for protection. This same principle is applicable to loans which are somewhat mixed, yet top-heavy with one kind of a security, and belonging practically to the same class.

We shall now pass on to another class of collateral, such as warehouse receipts for goods stored, elevator receipts and bills of lading. Warehouse receipts are generally looked upon with some suspicion, and deservedly so, on account of the many peculiar conditions surrounding them. We must know that the receipt has been issued in correct form and by a genuine warehouseman whose pecuniary responsibility is likely to guarantee fidelity of trust and care.

It is necessary as a rule to have expert opinion as to the quantity, quality, grade and value of the goods stored, which may be costly and cumbersome.

Questions as to title may arise. Care must be taken to see that insurance policies are marked to use of the lenders and expirations closely watched. How storage charges are being paid should be inquired into occasionally. And finally, should it become necessary to liquidate a loan by the sale of the goods, it is generally found that great sacrifices must be made to market them, to say nothing of the commissions, storage and insurance charges that are likely to ensue.

Elevator receipts are generally well regarded as collateral, for the reason that grain runs in well defined grades on which it is easy to get quotations. Being staples, subject to little or no deterioration, they find ready markets.

Insurance must be looked after and some care exercised as to the responsibility of the company issuing the receipt.

When we take bills of lading as collateral we must proceed with caution, and yet there are vast sums of money loaned on them with only slight losses. A bill of lading is a receipt for goods delivered for transportation and is transferable from hand to hand; it stands as a symbol of the property mentioned and loans are made upon it just as though the goods were actually delivered--but it sometimes happens that the goods are not delivered, then the holder of the bill of lading frequently finds difficulty with the carrier in proving the claim, for it is quite often found that some clause in the small type provisions in the bill of lading is fatal upon the claim.

There is danger in loaning on a bill of lading marked "Non-negotiable," as

any one taking such a bill of lading takes it subject to all the conditions that generally surround other non-negotiable instruments—that is—subject to any rights that any prior holder in it may have and subject to any defense that any party to it may have.

A transfer of a bill of lading of this class can transfer no greater rights than the holder of it possesses.

All the foregoing has been considered only from the standpoint of the value of the collateral, independent of the security represented in the maker of the obligations which it is intended to secure. As a matter of fact, few loans are made based entirely upon the value of the collateral pledged. Just at this point the discrimination of the lender is brought into play to determine how much consideration should be given to the name independent of the collateral or the collateral independent of the name.

To those who are in the habit of handling stocks and bonds, it may seem superfluous to consider for a moment any questions pertaining to the form of note or power of attorney used in connection with collateral loans; but we shall take it for granted that there are some to whom a few suggestions will not go amiss.

The form of note should provide for a call of margin, with the privilege to sell the collateral in event of the failure of the borrower to provide it on demand; it is also advisable to have a clause in the obligation to cover any direct or contingent liability.

Care should be taken in the execution of the power of attorney in order that certificates of stock may be a good delivery; the name of a bank or any of its officers should not be included in the assignment, either as transferee or attorney.

The signature to assignments must be technically correct; i. e., it must correspond with the name as written upon the face of the certificate or bond in every particular, without alteration or enlargement or any change whatever.

Certificates in the name of a married woman should not be taken unless the husband joins in the execution of the assignment and a joint acknowledgment be taken before a notary public.

Several or more powers of attorney should be required when a large block of stock is pledged, as considerable difficulty may arise in selling the collateral if the whole block only can be sold.

It should be the habit of the one intrusted with the handling of collaterals to daily follow quotations closely, and yet there are many instances where sales are "washed" to bolster values and consequently create fictitious quotations; generally, however, the public expression, as represented by sales on the stock exchange, is a good barometer of actual values.

To those who desire to become equipped to look after the collaterals I would advise, in the first place, careful reading of the best newspapers and journals, whose equipment is especially adapted to wants of investors, and secondly, actual contact in the practical work of the department wherein you get accustomed to handling the various stock certificates, bonds, etc.

INDIA'S GOLD AND SILVER COIN AND BULLION.

CONSUL-GENERAL William H. Michael, of Calcutta, reports that on June 15, 1908, the amount of silver held in the paper currency reserve in India was $86,400,000, gold coin and bullion, $6,766,-665, and silver bullion under coinage $26,-000,000. Gold coin held in the paper currency reserve in England, $13,500,000; the silver held in gold standard reserve, $20,-000,000 (the permanent nucleus of its silver branch), and $14,266,665 paid into the reserve out of the proceeds of sterling bills drawn on the Secretary of State, exclusive of $6,633,330 held in deposit on account of further bills drawn but not yet presented for payment in London.

STRENGTHENING OUR BANKING SYSTEM.

By F. E. Lyford.

OUR bankers are criticised because they do not seem to be able to agree upon any financial system, nor upon any plan for improving the present one.

Like other practical men, they are busy and leave the thinking upon this subject to theorists and men of ready speech and pen; but even these men find reasons for disagreement. Theories, like women, are very attractive largely because we do not understand them.

Possibly this is the reason many impracticable plans suggested meet with encouragement.

When we remember that every nation, large and small, has a financial system differing from all others in many ways, and business is done quite successfully under all of these varying conditions, we can not wonder that men find it hard to agree upon the subject and that a scientific basis, of which we hear much, is not found.

Isn't it logical to conclude that business will be done successfully under any method?

England has a central bank, and it would seem only natural that Scotland and Canada should have adopted that system; but they have evolved systems of their own and are handling their affairs successfully.

Andrew Carnegie writes about our having "the worst banking system in the world."

Can he explain why Scotland and Canada did not follow England's example and how they are doing so well under systems of their own? Does he know all about all of the other systems in the world, and are they all handling their business affairs more successfully than we are?

Under what he might think a better system, would we have accumulated more? Under our present system prosperity was greatest in the early part of 1907.

Under a better system we should have had greater prosperity, naturally; and the question comes, could we have stood it?

Faulty Method of Handling Government Deposits.

Our system is faulty, as are all others, more particularly, in the handling of Government funds.

Forty years ago there may have been reasons for requiring cash payments to the Government, and others made the same rule to some degree; but today every large corporation and every good business man avoids the handling of cash in business transactions, and no argument can be advanced for the continuance of an obsolete practice and one that is very hurtful at times in withdrawing cash from circulation unnecessarily.

The Government deposit is not a deposit, for nine banks out of ten have no bonds, and the result is that bonds have to be bought to secure the so-called deposit; the bank has less funds than before to the amount of premium paid for the bonds, the funds deposited are used to pay the par value of the bonds, and when United States bonds are used, we have the satisfaction (?) of seeing Government funds furnished to the banks to buy Government bonds and the Government paying interest thereon, thus paying interest on its own money, not receiving it as do the states and large corporations, as well as individuals.

When such deposits are made, the bond market is helped and money comes into circulation in that way only; but that is very indirect, and the transaction is absolutely unbusinesslike.

If a financial officer of the United

States Steel Corporation should try such methods he would hold his position about fifteen seconds.

Business depressions come from time to time. Last year such a condition was world-wide, and it is conceded that it was caused by the volume of business having become too large for the capital that could be readily secured.

Business men could not resist the temptation to expand.

Time remedied this condition with other nations without serious disturbances, and the result would have been the same here if our banks had not become involved directly.

Serious Panics Caused by Lack of Confidence in the Banks.

No serious panic has ever come to us till this condition has existed, the stability of our banks questioned.

Knowing this it is strange that banking men should take steps that resulted in closing banking institutions in New York city, which have since then been shown to have been solvent.

With past experience in mind, they should have known that the ordinary lack of confidence in banks would become an epidemic and people would make unreasonable demands upon the good banks. and all banks would suffer.

People were afraid of the banks and the banks were afraid of the people, and general paralysis came.

Granted that these institutions were not being managed properly, a business-like way to correct such conditions would have been to call the attention of the Comptroller of the Currency and the State Superintendent of Banks to the faulty methods and let them see that they were corrected; they have the power.

Had this been done, no serious disturbance would have come to us.

Two years ago in Chicago the banks united and paid off the depositors of the Chicago National Bank, losing money by so doing, but in reality saving money, for this action prevented runs upon other banks and any serious financial disturbance there and gave the public confidence in all of the other banks.

From a common-sense business standpoint was not the action of the Chicago bankers wiser than that of the New York men?

In commercial lines it is claimed that about ninety-five per cent. are unsuccessful, five per cent. successful.

In banking the record shows these figures almost reversed, and still our people lack confidence, because losing money touches them differently from any other kind of a loss.

The record of national banks shows losses to depositors since the first one was organized to be less than one twelfth of one per cent., and still people draw their money quickly when anything happens that raises the least question in their minds as to the soundness of any bank.

They do not draw their money because they have any direct or indirect knowledge of the condition of the bank, but a slight rumor intensifies their ordinary lack of confidence, and they act without any thought.

Having experienced withdrawals and traced the cause, my knowledge is practical, not theoretical, and any bank man will agree with what is stated above.

In normal times over one-third of our currency issued, over $1,000,000,000, is out of circulation, largely hidden away, showing strongly the ordinary lack of faith in our banks.

We have issued nearly five times as much currency per capita as has England, so it is not a lack of currency that causes panics; it is a lack of confidence in our banks, and that is the vital weakness of our financial system which should be corrected.

So far most of the talk and effort to improve our financial system has been on the line of an improved currency.

It is claimed and not disputed that we use about two per cent. of currency in handling our immense volume of business.

Will working on the two-per-cent.

end of any proposition accomplish anything of value?

We hear much about elastic currency; but we have taken care of this demand by the different forms of exchange issued by . and through the banks and we use the banks to such a large degree that they have become the channels of trade and business paralysis comes when undue and unreasonable demands are made upon them.

Panics Can Not Be Averted Until Distrust of Banks is Removed.

The ninety-eight-per-cent. end of the proposition is the one to consider in figuring on improving our financial affairs; that is, perfect confidence must be had in every form of note or credit issued by our banks, or panics cannot be averted.

Over and under production will cause disturbance in business from time to time, but no panic will come if the people have confidence in our banks and go on with their business in the regular, steady way.

We must put in force some ideas, or formulate some plans, to produce entire confidence in our banks and the various forms of exchange issued by them.

Deposits are a demand obligation of a bank as much as are the notes issued by it.

Why secure the one and not the other?

Why favor the few and not the many?

It is claimed a depositor is a willing creditor and a noteholder is not; that credits often represent loans and not funds deposited.

We all know this to be so, but the demand obligation exists the same and value received has been furnished in both cases. In principle it is right to secure both if it is right to secure one.

It is not only right to do so, but from a cold-blooded business standpoint banks can afford to pay a tax for such a purpose.

They make more from deposits than from circulation. This is proven by the fact that many national banks do not take out all of the circulation they are entitled to; but all work to secure larger deposits.

Business and Profits Increased by Making Deposits Safe.

With deposits known to be secured by a tax paid into a fund for that purpose, it must be conceded that all banks would secure an increase of business in every line.

It has been shown that a tax of one-twentieth of one per cent. per annum upon the volume of deposits would create a fund amply sufficient to secure depositors against loss by failed banks; but suppose we call it one-tenth of one per cent.

On that basis suppose a bank has deposits of $500,000. It would have to pay $500 per annum to the fund. Figuring that it can make two per cent. upon deposits (and that is conservative), an increase in its deposits of $25,000 would take care of the tax, and two per cent. on all over that would be net profit.

A five per cent. increase would let a bank out even, and every one knows the growth would be nearer one hundred per cent. than five per cent. and this would mean a large profit to all banks.

It is the rule of life that the thrifty take care of the shiftless, so the banks would be following out that rule and would fare better than individuals, in that they would make money by so doing.

Large banks say the small ones would be as good as they are with such an idea in force.

Considering assets and liabilities, the smaller one will figure out as good as the larger ones to-day.

Ten per cent. capital to volume of deposits is counted safe to-day. Don't the larger banks come nearer to that limit of safety than the smaller ones?

Security for Deposits Would Not Encourage Reckless Banking.

Some say that with depositors secured, bad men would organize banks and manage them so they would fail.

What are banks organized for?

Did any one ever hear of their coming into existence for the benefit of depositors?

Did the fear of loss to depositors ever stop a bank officer from stealing or prevent mismanagement?

Does any one really believe a man would put his own money and that of his friends into a bank, knowing they would be the only ones who could lose in case of mismanagement, and then wreck it?

We all know banks are organized for the profit that comes to the officers and stockholders, and when stockholders know they are the only ones liable to lose by mismanagement will they not look after the business more closely than they do now?

Five hundred thousand dollars' loss to depositors in national banks in the last fifteen years shows that the present regulations and restrictions are producing good results, and there is little to fear, but still people are afraid, for evil outweighs good always.

With banks taxed as suggested, naturally all banks would be watched more closely by each other and by the examiners, and the only thing to guard against would be too strict regulations.

With all banks equally good, will not the value of personality increase, the ablest management get the larger share of the business and competition become fair and even as in other lines of business?

With deposits in all banks secured, money might not drift to larger cities, and this may be the reason the banks in money centers object to the idea, but would not the country as a whole be better served if money remained in the section where it really belonged?

As less than one-twentieth of deposits in banks consists of currency, the banks should have the right to pay checks in the kind of funds received from customers; that is, different forms of exchange. Then there would never be a currency shortage.

It is not fair or right for a bank to have to pay checks in cash when it received such a small proportion of it, and much unjust criticism has come from having a law in force that gives depositors the right to enforce such a demand.

With confidence in our banks we would find ourselves with too much currency issued.

As a gold basis must be held, it would work out all right to have the Government issue specie only, the banks issue notes secured by a thirty-three and one-third per cent. gold reserve deposited with the Government, the notes to be subject to a tax to secure noteholders against loss.

State banks and trust companies would have to reorganize with the guaranty idea in force, and with all banks required to issue a certain proportion of notes, enough currency would be supplied, especially as we would naturally use less, with more money in the banks and more business being done through them.

It may seem unfair to state institutions to bring them under Government control, but would it not be better to have one system of banks, all equally good and all under Federal regulation, holding money in their own territory, than to have the widely divergent state systems now in force?

If the Government handled its financial affairs in the same manner as the states and large corporations do (and with deposits guaranteed they would be able to do so); if the obligations of banks, notes and deposits, were protected by taxes paid in to the Government to provide a fund for paying off depositors or noteholders of failed banks (and the tax would be small); if banks had the right to pay in exchange as well as currency in times of scarcity of currency; if the Government issued specie, the banks issued notes for currency use with thirty-three and one-third per cent. gold re-

serve as suggested, would not the faults of our present financial system be corrected; our banks, to which we have fitted our business methods, have the entire confidence of every one, and would not all possibility of serious panics be prevented and a common-sense financial system be provided?

Would it not be wiser to make these practical corrections than to try to adopt the system of some other nation and then rearrange all of our business methods to meet the conditions that would come by so doing?

History shows that every nation perfects its own financial system, why not follow this rule?

As I see it, with these ideas in force, business would move along in an even, steady way; depressions, caused by under or over production, would come from time to time but no serious panic would occur. Money would remain more closely in the territory wherein it really belongs, the foundation of all our business—the banks—would be upon an absolutely sound basis; they would serve the people and themselves better than ever before; they would handle the vast business that is coming with greater success than ever, and the greatest good to the greatest number would surely come, and this is what every one truly interested in our best welfare should work for.

HOW THE LOST WAS FOUND.

A WRITER in "Harper's Round Table," dilating on some of the trials of life in a bank, mentions the errors, more or less serious, that have been made during the day, and which must be discovered before the books will balance. "Generally," says the writer, "a quarter of an hour will bring the mistake to light, but sometimes the hunt is kept up until late in the night." He gives an amusing account of one such prolonged search.

Forty-five cents were missing. At six o'clock no trace of the errant sum had been discovered. Dinner was sent in for the whole force from an adjoining restaurant, and, after half an hour's rest, the search was again taken up. Midnight came, but still no clue, so sandwiches and coffee were served.

"Hello!" said a clerk, "the Bank National people are working to-night, too. Guess they're in the same box."

Sure enough, the windows of the bank across the street were brilliantly lighted. The incident was soon forgotten when the wearying hunt after that elusive forty-five cents was recommenced. Shortly after one o'clock in the morning, as they were about to give up for the night, a loud rapping was heard at the front door of the bank.

"Hello! Hello! What's the matter?" called the cashier through the keyhole.

"No matter at all, you slow-pokes! We've got your old forty-five cents. Come along home to bed!"

Outside stood the crowd of clerks from the neighboring bank. It appeared that, in making a cash transaction, one of the banks had paid the other forty-five cents too much. As a result, half a hundred men had worked for nine hours, and the search was ended then only because a bright clerk, noticing the light in the bank opposite, shrewdly guessed the cause, hunted up the cash slip, and discovered the error.

INCREASE IN THE NATIONAL DEBT.

THE monthly statement of the public debt shows that at the close of business on July 31 the debt, less cash in the Treasury, amounted to $958,809,823, which is an increase for the month of $20,677,414. The debt is recapitulated as follows: Interest bearing debt $897,503,990; debt on which interest has ceased since maturity, $3,943,745; debt bearing no interest, $410,990,260; total, $1,312,437,996. This does not include $1,307,715,869 in certificates and Treasury notes outstanding, which are offset by an equal amount of cash held in the treasury for their redemption. The cash in the Treasury is classified as follows:

Gold reserve $150,000,000; trust funds $1,307,715,869; general fund, $197,212,664; in national bank depositaries, $130,660,744; in treasury of Philippine Islands, $5,448,750; total, $1,791,038,029. Against this there are demand liabilities outstanding amounting to $1,437,409,856, which leaves a cash balance on hand of $353,628,173.

The apparent increase in the public debt is accounted for by the loss of cash in the Treasury, which for July amounted to nearly $36,000,000. This loss was occasioned by the large increase of expenditures over receipts, and also by the redemption of notes of failed and liquidating national banks, and the reduction of circulation of others.

GREATER SAFETY FOR LOANS.

By Charles A. Sweetland, P.A.

THE credit form which most banks now use gives the customer the opportunity to pass upon the value of his Accounts Receivable and his Bills Receivable. Does this seems the best plan? Would it not be better to use a form which gives the banker the opportunity to judge whether a so-called asset is an asset, or whether it is merely a figure of speech?

To make this clearer I will cite the present and most commonly used form and show wherein the differences exist between a better and more perfect one, and the one now used. The form now in use by most banks asks a statement from a customer desiring a loan, about as follows:

Stock of merchandise or material on hand at value.
Notes, good.
Accounts, good.
Cash on hand and in bank.
Store buildings at value.
Other personal property, describe.
Real estate, describe (market value).
while on the liability side we find
Owe for merchandise or material.
Owe for borrowed money.
Amount secured.
Chattel mortgages.
Mortgages on R. E., etc.

The old credit form would tell you that Brown Bros. have $15,008.90 good notes; the new form would compel Brown to show what amount of those notes was secured, what unsecured, what amount was past due, secured, and what amount was past due, unsecured.

The old credit form would tell you that Brown Bros. had $89,200.10 good (?) accounts, but if you had Brown Bros.' statement upon the improved form it would show as follows:

Accounts not due..............	$19,733.00
Accounts due, and not 60 days past due.....................	49,627.00
Accounts over 60 days past due..	19,840.10
	$89,200.10

In other words the later statement would show about $20,000 of accounts receivable which any careful banker would refuse to admit as a good asset, although if you leave the matter to Brown Bros., they would, naturally, (without meaning to deceive, perhaps, in any way) consider all of the ledger accounts that had not been charged off as "good."

Now take the other side of the shield.

In Brown's statement he tells you that he owes for merchandise $32,600.98. In the improved statement he would differentiate what he owes and would show the banker that he owed for merchandise *not due* $22,600.98, but he would forget to tell you in the old statement (because you do not ask him) that he owes $10,000 for merchandise, which is *past due*.

On which of the two statements would a conservative banker prefer to base a loan? Surely there can be no question as to which of these statements is decidedly the safer. If the later statement is safer, a banker is very largely to blame if he used the old form a day longer. He could better afford to have an imperfect and easily picked lock upon his vaults, which contain thirty per cent. of his assets, than he could to have a faulty loan statement to protect him in seventy per cent. of his assets.

No banker can be too particular in his requests for statements from time to time, even from regular customers, as that customer is using the people's money entrusted to the bank for safe keeping and investment. Whether a banker loans much or little, whether in sums large or small, to firms he knows well, or to those whom he knows not at all, he cannot afford to be without the protection that a careful business-like statement assures him.

No customer will object to giving

such a statement *when he desires to secure accommodation,* and no honest man can have any objection to such a form as will give you that clear insight into his business affairs which you are entitled to if you loan him money.

One banker said to me recently "I depend upon my personal impressions, very largely, in making loans."

That is all very well, and it is good enough as far as it goes, but it does not go far enough. The best meaning man in the world, as honest as the day is long, may have a wrong impression regarding his own solvency. It is not only to protect the banker against fraud that the new form will help, but still more against such loans as would appear hazardous, if the banker knew the exact condition of affairs.

A banker friend recently gave me an experience of a $40,000 loss, which came about through the unexpected failure of a large corporation making agricultural implements. This loan had been made largely upon a showing enhanced by $280,000 bills receivable; but after the failure it was shown that while the goods shipped were practically upon consignment, every shipment of implements was paid by notes *secured upon itself* (i. e., implements consigned) as soon as made, also that not more than ten per cent. of the notes were matured while the security was practically worthless and many of the notes were five years overdue.

Many banks have realized the great importance of this change and are now using the improved forms.

A banker can never have too full or too accurate a statement upon which to base a loan. In using a form which is not sufficiently explicit you are positively tempting a man to tell you that his business condition is excellent when it is really precarious; at least you are encouraging him to place a higher valuation upon his assets than is justified by facts. The simple form allows the honest man to unconsciously overestimate the value of his resources while it gives the man who is inclined to be dishonest an opportunity to easily blind you to his true condition.

In either case you are incurring a grave risk; a risk that may cost your bank a large sum of money. Look well to the stable door, before the horse is gone.

NEW GERMAN FINANCIAL ISSUES.

During the first half of the present year the amount of new issues of bonds and shares listed at the German stock exchanges aggregated 2,267,000,000 marks ($540,000,000). In furnishing this statement Consul-General Richard Guenther, of Frankfort, adds:

About one-half of the total was for loans and bonds of the Federal Government and the individual States of the German confederation. The loans of German provincial and municipal bodies amounted to $125,000,000; of bonds issued by the German mortgage banks, $60,000,000; of mining and industrial stock companies, $43,200,000; the balance being new bonds and shares of German and foreign railroad and tramway companies, banks, and other commercial, shipping, and industrial institutions.

The lowering of the interest rates has greatly stimulated the placing of these large financial issues. In the preceding half year the total amount of new issues of this kind on the German bourses only footed up $83,300,000.

CLEVER MONEY RAISERS WORKING IN THE SOUTH.

That bad currency of remarkably clever execution is being circulated in Texas, Louisiana, Alabama and Mississippi, was the general warning sent out from Washington August 11, by Chief Wilkie of the Secret Service.

National bank notes of the denomination of $5 have been raised to $20 and are being circulated freely. The work is the best seen since Pete McCartney, a quarter of a century ago, fooled the public with his clever bill-raising tricks.

In the present instance the top layer of the figure 20 has been skillfully sliced from each corner of a note by the delicate use of a "pipe stem" or hollow ground razor, and the severed portion has then been pasted over the figure 5 on the bill of the lesser denomination—an operation that had to be repeated eight times for each raising of a bill. By bending over a rounded surface the portion of the $20 bill containing the figure 20, the counterfeiters succeeded in lifting off with the sharp edge of the razor merely the top of the paper, leaving the original figure 20 sufficiently unimpaired to allow the sliced bill to pass unchallenged. Thus, out of a $20 bill and a $5 bill the counterfeiters created two $20 bills and cleared $15 on each job.

These mutilated and altered bills have been floated in Beaumont, Texas, where they first appeared; in Oakdale, Lake Charles and New Orleans, La.; in Birmingham, Ala., and in Vicksburg, Miss.

FOREIGN BANKS OF ISSUE.

By John W. Dulles.

WHEN the people of a country learn that foreigners are characterizing their system of bank note issue as "the worst banking system in the world," they naturally desire to know what system those other countries have which gives them the right to criticise in such harsh terms.

One would expect to find among the great nations of the world many different methods of banking worthy of study, but on the contrary the important systems are deplorably few and some of them worth consideration only on account of the influence of their native country on the world's finances.

FRANCE.

The system which, on account of its simplicity, should be first studied is that of France. Here we find a single bank owned by private shareholders but controlled by the Government, for whom it acts as fiscal agent and who in return gives it the sole right of issuing circulating notes in France.

The Bank of France was founded in 1800, with Napoleon Bonaparte as one of its original stockholders. Since that time it has been developed and expanded by successive stages until it has become known as one of the greatest financial institutions in the world.

At the present time the bank has a capital of 182,500,000 francs. The head office is at Paris, but it maintains branches in each department—as is required by law—and many offices in places too small to support a branch. In all there are 447 places of business.

The notes issued by the Bank of France are legal tender in all parts of the country. They are not protected by any specific securities, but by the general assets of the bank. Included among the assets are an investment of 100,000,000 francs in a three per cent. government loan, and specie which usually amounts to sixty or seventy per cent. of the total liabilities.

The limit of issue has been set from time to time by the Government generally in anticipation of the needs of business until at present it is 5,000,000,000 francs.

A small note tax is collected by the Government. The bank is required to redeem its notes on demand in either gold or silver. When gold is in demand for export the bank can exercise this option and pay out silver, charging a premium on gold, instead of raising the discount rate as is the custom in England and Germany.

There is one more characteristic that must not be overlooked in dealing with the Bank of France. That is the amount of small commercial notes discounted by it. Thousands of the notes discounted are for amounts less than ten francs, and that too, when the law requires that all notes bear at least three names.

ENGLAND.

The Bank of England, although founded long before the Bank of France, is not only a step farther along in development but of far greater influence in the world.

In 1694, William Paterson, a Scotchman, founded this bank for the purpose of lending £1,200,000 to William and Mary, who were then carrying on war with Louis XIV. of France.

Against this debt and moneys subsequently lent to the crown the bank was permitted to issue circulating notes. It was also empowered to lend money and carry on what is now termed a general banking business.

The bank enjoyed a practical monopoly of note issue from 1647 to 1826, when permission was granted to banks located at a distance of sixty-five miles from London to issue notes.

In 1844 Sir Robert Peel, the prime minister, who was in favor of a very limited banking law, secured the passage of an act, since known by his name, which made some very radical changes in the banking privileges.

The principal accomplishments of this act were the giving to the bank a form of monopoly of issue and the separation of the Issue Department from the Banking Department.

The monopoly consisted in limiting the issue of other banks to the average amount outstanding for the twelve weeks preceding April 27, 1844, and prohibiting other banks from acquiring the right to issue.

When the bank was separated into two departments it was directed that £14,000,000 of Government securities should be placed with the Issue Department against which it was permitted to issue notes. Any notes issued in excess of this amount were to be covered by specie. But if any of the other banks should for any reason cease to issue, the Bank of England was to be allowed to increase its bond-secured circulation to two-thirds the amount which had been taken out by the bank surrendering that privilege. In this way the limit of the bond-secured circulation of the Bank of England has been raised until it now stands at £17,-775,000.

The idea in fixing the original limit of unsecured notes at £14,000,000 was that the channels of trade would always require that much paper currency, consequently those notes which were not secured by specie would never be presented for redemption.

It will be seen that when the Banking Department requires bank notes to aid in the transaction of business the Peel Act compels it to deposit with the Issue Department an equal amount of specie before it can obtain notes.

The separation of the two departments under this law proved so inelastic that three times (in 1847, 1857 and 1866) when there was a special demand for currency, it was found necessary to set aside this act and grant permission to the Banking Department to transfer some of its Government securities (which were unsalable at the time) to the Issue Department and receive in return notes with which to pay its depositors and discount paper. On two of these occasions it was not necessary to take out additional notes as the confidence of the public was restored immediately it became known that money was available, while in 1857, when the panic was more severe, it was only found neccessary to put about a million pounds of notes in the hands of the public.

The bank, whose corporate title is the Governor and Company of the Bank of England, has eleven branches and is managed solely by the stockholders. It pays a fixed sum to the crown for the right to issue the notes which, as long as they are redeemed in gold, are legal tender throughout England and Wales, except at the bank itself. The smallest notes are for £5.

Although the Bank of England is only officially connected with England and Wales, it holds a part of the reserve of most of the Scotch and Irish banks, besides that of the principal joint-stock banks of England and Wales. In this way it practically controls the reserve of the United Kingdom.

GERMANY.

When the German Empire was founded it was decided to be necessary in order to carry out the general plan of unification to devise some form of currency which would encourage and unite the business interests of the nation.

For this purpose Bismarck, in 1875, took the Bank of Prussia and upon it as a basis founded what has been since known as the Imperial Bank of Germany, (Reichsbank).

When the Reichsbank was created there were thirty-two other banks scattered throughout Germany which were allowed to retain the rights they had heretofore enjoyed of issuing notes

fully covered by specie. It was provided that this number of banks should not be increased and if those issuing should surrender their rights, the Reichsbank could increase its limit of what will be explained below as "uncovered notes" to two-thirds that of the bank giving up the privilege.

At the present time the Reichsbank is permitted to issue "uncovered notes" to the amount of 450,000,000 marks. These notes, although commonly called uncovered, are in reality covered as is required by law—one-third by specie and two-thirds by commercial paper having the names of at least two solvent parties and running not more than three months. All other notes issued must be covered by an equal amount of specie. Not only German coin and gold bullion but also foreign gold coin, imperial treasury notes and notes of other German banks of issue are considered as specie. Notes issued in this way are not subject to taxation.

An elastic feature is provided whereby the bank can take out "uncovered notes" in excess of 450,000,000 marks but subject to taxation at the rate of five per centum per annum, which rate is so high for Germany that it makes it unprofitable to take out an excessive amount of circulation in times of ordinary business activity but low enough to save the nation from great hardships in times of panic.

German bank notes are not legal tender but are accepted in payments to the Government and to the other banks of issue.

The Imperial Bank maintains 320 branches. It has a capital of 180,000,000 marks and a surplus of 60,000,000 marks. It is owned by private capitalists but controlled by the Government, with which it shares a certain proportion of profits and for which it manages the finances.

The Reichsbank is aided very much in controlling the money market by a law which requires the other issuing banks to maintain the same discount as that of the Imperial Bank when it is as high as four per cent., and prohibiting them from cutting under more than one-quarter of one per cent. when it is below four per cent.

CANADA.

Looking at Canada we see that there has been developed a system of issuing bank notes against the general assets of the banks that is peculiarly well adapted to the needs of that large and growing country.

The basis of this system was laid in 1870, when the amount of notes each bank was permitted to issue was limited to the amount of its paid-up capital. A decade later the notes were made a prior lien on a bank's assets and each stockholder was made liable, in case of the bank's failure, for double the par value of his stock.

In 1890 a law was passed which founded the banks on a secure base, prohibiting among other things the incorporation of banks having a capital of less than $500,000 each and requiring the banks to maintain the circulation of their notes at par in all parts of the Dominion. For this purpose they were to establish agencies at the principal city of each province and at any other place the Treasury Board might designate. The law of 1890 also provided for a "Bank Circulation Redemption Fund" amounting to five per cent. of the circulation of all the banks.

Under the Canadian law a bank may suspend payments for ninety days without going into liquidation. But the bank notes bear five per cent. interest from the time of suspension to the time public announcement is made of the bank's readiness to redeem them. If the banks do not redeem their notes within two months after suspension the Minister of Finance arranges to pay them with the accrued interest out of the five per cent. redemption fund. The amount so expended bears three per cent. interest until repaid into the fund by the defaulting bank. When the redemption fund is reduced below five per cent. through such payments the other banks in the system are assessed pro rata in amounts not exceed-

ing one per cent. per annum of their average circulation to restore it to the right proportion. Then when the affairs of the failed bank are settled and the charges to the redemption fund paid the other banks' contributions are in turn repaid.

The liability of the Canadian Government for the notes does not exceed the amount of the safety fund. The fund is invested in Dominion securities bearing three per cent. interest, which is paid pro rata to the banks.

At the present time there are thirty-five banks maintaining 1,800 branches. In the larger cities the notes are exchanged daily through the clearing-houses. In other localities they are exchanged between the nearest branches and balances are settled in drafts on commercial centers or in Dominion notes.

The bank notes are not legal tender but their value never depreciates, even when specie payments are suspended, as the interest they bear at such times makes them a good investment.

SCOTLAND.

There is one other system which has earned a world-wide reputation. It is the Scotch system.

In Scotland there are ten banks issuing notes against their general assets to a limit set in 1845, after the Peel Act had been adopted in England. For all notes issued in excess of this limit an equal amount of specie must be held.

These notes, although not legal tender, and issued for as small an amount as £1, circulate freely through the country. They are considered perfectly safe, as they are a first lien on all the assets of the issuing banks and the stockholders are liable in case of default for the whole amount of notes outstanding.

Although the banks are permitted to maintain branch offices for the receiving of deposits and the discounting of paper, they are not compelled to redeem their notes at any place except the main office, consequently they can afford to have offices in towns and hamlets too small to sustain a regular banking institution.

The notes received are exchanged daily through the Edinburg Clearing House. Probably the thing which has done the most to make the Scotch banks famous is their method of lending money on what are called "cash credits."

This method, which was devised nearly two hundred years ago, enables the honest young Scotchman who wishes to embark in business to obtain a working capital in a way which is most advantageous both to the lender and to the borrower. If a person wishes to borrow money all that is necessary is that he obtain two people called "cautioners" to be surety for him. This done he can immediately obtain the money desired.

The system does not require that all the money be borrowed at once; on the contrary, it may be borrowed in whole or in part and it may be repaid in installments, the borrower paying interest only on what he uses.

The cautioners have the right to examine the account and terminate the loan whenever they think their risk is too great.

In considering foreign banks of issue it is interesting to note that the Japanese, with their well-known habit of finding out and adapting to their own use all that is best of European and American ideas, first tried a bond-secured currency modeled after that of the United States, but after giving that a ten years' trial rejected it in favor of a single national bank which very much resembles the Reichsbank of Germany.

DEATH OF A WELL-KNOWN BANKER.

On June 17 there died at Buenos Aires Mr. Ernesto Tornquist, founder and president of the firm of Ernesto Tornquist & Co., Ltd., a prominent banking, financial and commercial house. Mr. Tornquist was sixty-five years of age at the time of his death.

The business is in the form of a corporate society, and will be continued as usual.

THE THRIFT HABIT.*

By W. H. Kniffin, Jr.

THERE is an old adage, trite but true, to the effect that a fool can earn money, but it takes a thrifty man to save it. Thrift is essential to progress: it is characteristic of success. There are degrees, or varieties of the saving habit, among which are: *economy,* which is the wise and careful use of one's means; *frugality,* which is the withholding of expenditure to a noticeable or painful degree; *parsimony,* which is the excessive saving for the sake of saving; *miserliness,* which is self denial at the cost of necessities, for the sake of hoarding; and *prudence,* which looks ahead and plans for the future. But thrift seeks not only to save, but to earn—to produce. Economy manages; providence plans; but thrift *earns, manages, plans and saves.*

The capital of men and of nations arises solely out of the thrift habit. The man who spends more than he earns is on the road to the poorhouse; the nation that cannot produce enough wealth to equalize its consumption is on the highway to bankruptcy. The tribe that raises barely enough to feed its members is living next door to starvation. Good crops in India mean good times; poor crops mean famine. They have no saving, no storing power; habits of thrift and prudence have not yet been inculcated, and the world must step in as occasion demands, and help them out of the hole of their own digging. The chronicle of Joseph and the Corn Trust in the Book of Genesis is more than a bit of Hebrew history; it is the story of a wise and prudent man, in times of plenty, preparing for a rainy day, and Egypt and Palestine blessed him for his foresight.

Debt is a bad thing. It hangs 'round the neck like a millstone, weighing down the man, the nation, and crippling their best energies. The man who lives within his means and regularly and systematically lays aside part of his earnings, and puts this surplus where it will work for him as unceasingly and as faithfully as he worked once for it, has learned a secret of no mean dimensions, and acquired a habit of no small import in the building of his character and the carving of his future. The church, the organization, the municipality, which must spend its best efforts in raising the interest on the mortgage or its bonded debt, cannot do its best work in its chosen sphere.

Communities, as well as individuals show the benefits of this habit; they are progressive in proportion to their ability to acquire wealth, for strength of nations, as well as the strength of men, must ultimately depend on stored energy and reserve. A thrifty man makes a good citizen; a spendthrift

* This series of articles will run for some time, it being the intention to cover the field of savings bank operations as thoroughly as possible, telling not only how the work should be done, but also **how it is being done.** To this end forms and printed matter of all kinds pertaining to savings bank work are especially desired. Banks willing to co-operate in this will confer a favor if they will send a complete set of their forms, etc., to the writer, care of the Bankers' Publishing Co., New York.

makes a pauper. A city of workers is a good place to live; a city of loafers is not to be desired.

Easy Money.

Few will quarrel with Bernard Mandeville when he argues that spending makes trade lively—no one can gainsay it; and on the other hand frugality tends to stagnation. Fires and floods and cyclones and riotous living most assuredly help to provide work and make trade brisk and bring good wages and keep money "moving," but the loss too often offsets the gain, and as a proposition in character building, such conditions are not to be desired, individually or socially. The western mining camp is an example. Money is quickly made and as quickly spent. Wages are high and men busy, but are they the best of men, and do they get their money's worth? Is it the best place to live, and would it be a good place to die?

A good spender may be a good fellow while his money lasts, but when this is gone, he becomes a charge upon the body politic, or perhaps a suicide, as history will testify. Every man has the inherent right to live decently; to dress comfortably, and to have wholesome recreation, but from an economic standpoint, society has somewhat to say to the man who lives so well, and dresses so comfortably and has such a merry time that his relatives or the state must care for him when he can no longer care for himself.

It is questionable if life insurance, legacies and money that comes quickly and without labor, does not often do more harm than good. Few can make good use of such wealth. It seems so vast a sum and the temptations are so many that it "burns" until it is spent. Only the strongest can resist. While in the bank, it is of no value to them, and only as it buys pleasure, or clothing or high living, does it take on real worth. The "gay white way" is strewn with testimonials that bear witness to this fact. The widow who received her husband's insurance money, only to spend it fast and furiously on the races, and after a summer's holiday, came back as a charge upon her old father; another who loaded herself with jewelry and fine dresses, only to find an end to her money and a place again upon the cigar maker's bench; the youth who received a legacy from an uncle and immediately quit his job and settled down to a life of ease and debauchery; another who "invested" his inside of a week, all will tell the same story, that their money was their curse, and they would have been better off without it.

Saving by Incentive.

The first step in the direction of capitalism is to save; the second is to save for something; and the third and end, is the ownership of wealth. To save is good; to save for a specific purpose is better; to acquire the habit is best.

A house was on the market, at a reasonable price. "Why don't you buy it?" was the query put to a man who had been a "good liver" in rented quarters on the same street. "How can *I* buy a house?" was the reply, "I never saved any money." Through a friend, a loan was secured in the local building and loan association, and with a nest egg, which his wife had accumulated, title was passed, and he became the proud possessor of a home. After a time, property began to depreciate on the street, and he was advised to sell. Upon looking into the state of his loan with the association (he had regularly made his monthly payments) he found to his surprise that his property was nearly free of debt. He began to save only when he had an object, an incentive, and that is the secret of many a man's success.

A hardworking bookseller has the right idea. His hobby is Indians—dead ones. As opportunity offers he sets out, with tools in hand to hunt for relics. Now digging in the dirt is no fun, but when this bookseller sets out to dig, he has a purpose, an end, an aim, and he will dig for hours in happy anticipation of finding an arrow head,

or perhaps, Mr. Shinnecock's thinking cap! Dig—but dig for something; save, but save for a purpose!

The youth who saves because he must, is learning a good lesson; when he saves that he might get an education, or a bicycle, or marry "the girl," has learned a better one. If he ever gets to the point where he can buy bicycles and provide education for others, he will have reached an enviable position.

The tendency to spend for present gratification is inherent in humanity. Witness the Indian. On pay day he gets drunk. Money is plentiful and he is again a child of nature with no thought for the morrow. This tendency is recognized in Indian educational work. Captain Pratt, of the Carlisle Indian School, states that "we require our students *to earn and to save.* During the summer, we place a large number of our students in the country. We impress upon those who have charge of them to teach them to save; to buy whatever may be necessary, but to buy with wisdom. Students going out, each make a contract, and *part of that contract is to save.*"

An amusing instance, illustrative of the inability of some people to keep money, occurred not long ago in a Brooklyn bank. One of the depositors who had been in the habit of depositing regularly on pay day, arrived too late one Saturday night and could not get in. Coming in on Monday he soundly berated the officers for not opening to him. He had spent his weekly portion over Sunday in a spree and was a week behind, and how was he going to catch up, and what would he do if his wife found it out?

Saving by Sacrifice.

The thrifty man soon learns that he can only satisfy his greater desires by denying himself the lesser. The boy who aims for a bicycle, or a boat, will do without candy, and ice cream and such frivolities, knowing full well that the after satisfaction will be much greater than the present gratification. The education that costs an effort, hard work and much sacrifice of pleasure and idleness, will be the more appreciated. As a business man, trained in the severe school of the Standard Oil Co., put it: "I own an automobile; it is an expensive luxury, but I can afford it. I neither drink, nor gamble, nor squander my money. I live modestly and have no expensive tastes. Many men of my income could not afford a machine, but I can. I ride in my auto at the expense of lesser pleasures, cigar and drink money, and such." He has the right idea.

The man who thus acquires the "gentle art of saying no" is learning the best lesson of his life. He will not only be richer in purse, but is steering by the right compass. No man is ever made strong by yielding. The youngster who, through the school savings bank learns to pass the candy store and deposit his money in the bank, is doing more than accumulate pennies —he is building character, and forming desirable habits.

Saving by Education.

All education comes first by compulsion. No child naturally likes the confinement and discipline of the school room. He studies first because he must. Later, if he is a normal child, will come the desire for knowledge; his mind becomes awakened and he wants to know. Presently he gets an aim, an ambition; he sets his eye on a goal and then his work is no hardship —you need not urge him, but rather hold him back.

We speak of preparing the child for the battles of life. We omit the vital point if we fail to persuade him that reserve is better than dissipation, that health saved is working capital, and health dissipated, is ruin. Good habits are jewels of great price, but wild oats will ripen to destruction. Money in the bank is reserve energy; money squandered is worse than wasted. But the trouble lies in getting the child to believe it. As youngsters, we looked with awe upon the boy who

bought his candy by the nickel's worth, and who ate a whole "cent's worth" at one mouthful, while our penny must buy the biggest stick, that would last as long as possible. But he was learning to be a spendthrift, while the others were learning thrift. He became a "good fellow"—the others became good men!

Saving in the Schoolroom.

Herein lies the great value of the school savings bank. Not for the money it may bring to the bank man, but for the good of the pupil. Every boy and girl should be taught the value of money early in life. That the dollar saved and put in the bank is just as real and as full of worth as the dollar spent. No child that grows up with every whim gratified will make the most of himself. It is not the money, but the moral. Not the amount saved, but the habit learned. To see two and two equal four, in money, as well as in arithmetic; to get a bit of interest for which they did not have to work; to learn at the very threshold of life lessons of thrift and industry, is an object lesson, invaluable. It is characteristic of the German to save: Not because he is German, but because, with his mother's milk, he imbibes the saving habit. No matter what the income, the outgo is ever less. A savings bank, in the form of the "municipal system" is at his very door, and thus he regulates his life, and steers clear of the almshouse and the potter's field.

The writer has had some experience with the school savings system, and it is interesting to notice how the children will start, small at first, as if to try it out. They get their receipt card in due course; they see others with "big bank books" and they get the incentive —the object to save, and their account immediately takes on new activity. Frequently an odd cent may be found in the deposit envelope, as if this was "victory money" over the corner candy store. This youngster is learning to say "no!"

The Benefits of Saving.

The institution that thus tends to foster the spirit of thrift performs a number of closely connected services to the community. It not only benefits the man and his family, by making them all better dressed and better fed and better housed, and better fitted to look into the future, but it helps in the general good. The working capital is greater, the producing capacity enlarged, and the wealth of the nation increased by every dollar that the thrifty man places in the savings bank.

Individualistic saving benefits the man alone, and sometimes hardly that. There are two extremes: he may spend all he earns and more and become a debtor; or he may save all he gets and become a miser. He who denies himself proper food and recreation and rest, is lowering his producing capacity. The sweatshop worker, laboring for small wage, is apt to go without the necessities of life, in order that he may become independent of such conditions; but he defeats his own purpose. If the sacrifice be confined to the luxuries it is to be commended; if it reaches the necessities, it is to be condemned.

But social thrift, through the medium of the savings bank reaches out into scores of channels and broadens and expands, like the ripples on the water, until the utmost shore is touched. "Who is my neighbor?" is as apropos to economics as to the affairs of religion.

In encouraging the saving habit, it is primarily essential that the institution be worthy. Confidence is the keystone of banking; take this away and the structure must fall. Not only the structure, but the idea also. The whole scheme of thrift gets a shock when a bank betrays its trust. It is to the lasting credit of the savings banks of New York, that during all the crash of 1907, the solvency, the honesty, the good management of a single one was never for a moment in question.

Saving by Compulsion.

The only method, aside from a building and loan stock subscription, or the endowment insurance policy, both carrying forfeitures, or fines for nonpayment, that has come to the writer's attention to compel saving is a scheme in operation in Germany. A savings bank, in order to induce saving, has a system of opening accounts for certain sums, with the stipulation that an equal amount shall be deposited every week, to be paid to collectors who present coupons calling for the stated amount. If not paid to them, or to the bank, within eight days, the bank reserves the right to close the account. But the ordinary savings bank has no such schemes; it has no chromos, or gifts, or fines, or trading stamps to offer. Its patronage must be voluntary: it works on its merits. It is questionable if a man is benefitted very much by saving by compulsion. Its only redeeming feature is that it may get him in the habit and place an incentive before him, but until he saves from choice and not from necessity, he will not have made much headway in acquiring the thrift habit.

The free withdrawal feature of the savings bank tempts men to use their money where they might otherwise resist, and the withdrawal notice so rigidly enforced in some banks at all times would seem to be a good feature. We frequently find men in search of schemes that will make it hard to get their money out. This is what makes the little home bank so popular; money once dropped in it cannot be taken out without the key, which the bank retains. The Saturday Evening Post told of a man who could not keep his money over Sunday, and to avoid the temptation to spend, on Saturday night he enclosed his week's salary in an envelope and placed it in the mail box, addressed to himself, so that on Monday morning he could get it in the bank intact. Such men are to be pitied, but not despised. They are naturally, or from habit, weak minded and need all due encouragement, for the lower the saving power, the greater must be the inducement to save. If 10 per cent. were paid, instead of 4 per cent., as obtains in many places, the results would be far greater than ten is to four. Get-rich-quick schemes will bear witness to this tendency the world over.

Saving by Encouragement.

But there is a limit to the inducements the savings bank may offer. Beyond this it may not go in safety. The best that can be done is to make it easy for the people to save. Hence the acceptance of small deposits; the school system; the open evenings; savings clubs: postal savings idea; municipal and co-operative systems, etc., all *striving to bring the bank to the people,* rather than asking the people to come to the bank.

A savings account is a rainy day fund; a life insurance policy; a sick benefit; a funeral fund and an old age pension. It lacks, to be sure, the protective feature of the insurance and the compulsion of other methods; but there is no forfeiture clause in the pass book, and it is under the owner's control at all times, even after death. It will tide him over sickness; it will care for his family when he must go; it will see him through old age, and bury him when he dies; *but it must be all this of his own choosing.* It is a simple business proposition: begin early, and keep it up, and like manna in the desert, it will supply him as he journeys.

It will compel him to save not a cent, but once he gets the saving habit, the thrift idea, it will take his precious money, in whatever sums he may choose to leave, invest it wisely and well— and pay him for the service. It will place all due safeguards around it, and hand it back intact, when he wills—an angel could do no more.

PROGRAM OF A. B. A. SAVINGS BANK SECTION.

THE annual meeting of the Savings Bank Section of the American Bankers Association will be held in Denver, Col., Sept. 28, 1908. Following is the order of proceedings. (Subject to change by vote of the convention):

1. Meeting called to order by President Teter, at 10 a. m.
2. Prayer by Rev. Louis Albert Banks, L.D., Pastor Trinity Methodist Episcopal Church, Denver.
3. Address of Welcome, by W. T. Ravenscroft, President Federal State and Savings Bank, Denver.
4. Annual Address by the President.
5. Report of Chairman of Executive Committee.
6. Report of Secretary.
7. Report of Committee on Uniform Laws.
8. Report of Committee on Auditing.
9. Report of Committee on Revision of the Constitution.
10. Address by Hon. Pierre Jay, Bank Commissioner, Boston, Mass., on "The proper treatment of Savings Deposits when taken by State Banks and Trust Companies."
11. Address by John C. Griswold, Secretary Excelsior Savings Bank, New York, on "The effect of the recent panic on the Eastern Mutual Savings Banks."
12. Report of Committee on Postal Savings Banks.
13. Open Discussion.
14. Nominations and Elections for
    President.
    First Vice-President.
    Vice-Presidents.
    Three Members of Executive Committee to serve three years.
15. Installation of Officers elected.
16. Adjournment.

THE PLUCKY WOMAN WHO SAVED A BANK IN ALASKA.

WHEN the steamship Northwestern sailed for Nome the other day, she carried one young man on his way back to the North, after a winter spent in Seattle, Montana, and New York, going to join his plucky wife, who, in his absence, had driven a dog team six hundred miles across the frozen fields of the Seward Peninsula, with $10,000 as the most important part of her burden, to save the Nome bank, in which her husband is interested. The young man is known as the "King" of the Candle Creek district, far to the northeast of Nome. He is Thomas Noyes, son of the late John Noyes, one of the pioneers of Butte, Mont., and many times a millionaire.

As last winter approached, Noyes found it necessary to leave Alaska and go to New York to close a deal for the financing of an enterprise. His wife remained at Candle to look after their interests. While the young man was in New York negotiating for a $200,000 loan with which to open the Candle mining canal, the financial storm arose, and ere he had been in New York long he found it necessary to pawn all his personal valuables to cover a $1,200 hotel bill, so tight did the money market suddenly become. After the crash the money stringency extended to the West, and reached far up into the Polar regions. The banks in Nome needed ready money badly. Mrs. Noyes in Candle, over the telephone from Nome, was informed daily of the strained conditions, and she, in turn, was in touch with her husband in New York by cable. Appeals to Mr. Noyes in New York were valueless, for money was not to be had. As the northern situation neared a crisis, and the bank at Nome seemed in danger, although really on a sound financial basis, a determination entered the heart of Mrs. Noyes. She would send from Candle enough of her own money to save the day. "Can I trust it to a messenger?" she asked herself. "No, I'll take it with my own hands;" and with only a driver for her team of malamutes she started out across the hundreds of miles of ice and snow, the thermometer so low it almost faded away from view.

Through the short days and far into the night the woman went on through the snow. Many days were needed for the journey, but the news that the money was coming had spread a better feeling in Nome, and the bank was able to weather the storm until relief should arrive. The journey made by Mrs. Noyes was one of the most heroic ever attempted by a woman of her own initiative in the far North, and when she reached Nome she was accorded a welcome that was commensurate with her feat. The bank was saved, and a woman had been the agent.—*Seattle Times.*

CURRENCY REFORM UNSETTLED.

IF the monetary commission comes back from its foreign investigation with the right ideas upon currency reform, it will need an intelligent public opinion to support it. If it does not return impressed with the feasibility and utility of a credit currency, then all the more will the solution of the currency question depend upon the existence of a well informed and active public opinion.—*New York Tribune.*

BURGLAR TRAPS OF COUNTRY BANKS.

SOME very interesting and amusing tales can be told by night watchmen and clerks of country banks. While the country bank may have its automatic burglar alarm system, its finely protected steel bars for the doors and windows, its high grade safes with up-to-date combination locks, there is always something or other about the bank to make it countryfied. The writer has been traveling among the country banks and has learned of some of the modes of protection adopted against intruders. Some of these devices are exceedingly odd.

At one bank where the building was located about thirty feet back from the main road, in a grove, a series of electrical wires conveyed the current from an adjoining line to a number of globes supported on brackets in the branches of the trees. The wires extended from the tree lamps to the bank building and were joined with the doors, windows, and other apertures leading to the interior. Wire connections were likewise made with the vaults. The tills of the counters were also in the circuit. Hence, anyone interfering with any of the doors, windows, safes or tills of the bank, after closing hours, connected the electrical circuit and about forty lights were sprung in the trees in the grove.

In another country bank where they had an ingenious watchman, a pail of dirty water was fixed on a tipping shaft just over each of the leading entrances.

The pails were made top heavy. Then, when held right side up by means of the cord, it was only necessary for some one to trip the cord in order to release the pail and let it turn and pour its contents on the person below. It was calculated that the severe drenching of any intruder would chill his desire to steal and cause him to depart. The writer was told that one of the directors of the bank was the only person to be caught by the device. It seems that this director had something to attend to at the bank, but had been delayed and arrived at the bank thirty minutes after closing time. The active watchman had already fixed his traps, so that when the dignified director entered the building and proceeded to try various doors to gain an entrance, he sprung one of the pail cords and was soaked good and plenty.

A Skeleton Scarecrow.

Another country watchman says that one of his most effective tricks for scaring off burglars was to use a white sheet and a whitened human skeleton. The watchman was employed at a bank in the farming section of the middle West, where raiders were frequently on the warpath. The police protection was not of the best. The bank building had been re-constructed from an abandoned brick school house. The necessary heavy steel lined doors and windows had been installed and various precautions taken. Still thefts of varying proportions happened at intervals. The night watchman then obtained a bleached human skeleton from a medical student, paying eight dollars for it. This skeleton was fixed on a rack, so that by pulling cords the arms could be lifted. The rack was adjusted at a window at the front of the building. A green, shaded light was provided to throw a dull hue on the skeleton. Then the watchman himself stood by. He had a white sheet conveniently near. Upon the approach of suspects, the watchman would don the white sheet and get near the skeleton in the window, turn on the dull green light and manipulate the arms of the figure by means of the cords. The watchman claimed that he warded off a number of night raiders by this ghostly expedient.

A Sharp Pitchfork.

The writer met a country bank watchman whose only weapon was a pitchfork. This man said that the average bank looter preferred not to do any shooting. If firearms are used and some one gets injured, the case becomes more serious. Therefore the watchman argued that he would not tempt the burglars to use firearms by using firearms himself. Hence he employed a pitchfork. He said that on one occasion a burglar endeavored to get through a port hole in the basement of the bank where the coal was put in. The watchman went outside with his pitchfork and had an interesting time with the burglar who was stuck in the port hole. The burglar cried for mercy and our watchman friend ceasing the prodding act only after the burglar had promised to be good.

Some country watchmen are not wholly reliable. One man worked cheap and it was considered all right if he left the bank occasionally during the evening. One evening he went to the town store to talk politics and when he returned to the bank he found the safe broken open and the valuables gone. Of course, he was fired and his reputation was lost, but that did not help the bank. The directors held a meeting and decided that thereafter the watchman should remain at the bank while on duty and should not go to the store to talk politics.

A Traveler.

TRUST COMPANIES

Conducted by Clay Herrick.

UNIFORM LAWS AND REPORTS.

AT the recent convention of the National Association of Supervisors of State Banks, a special committee rendered a report which is of more than passing interest to trust companies and to state banks. The committee, which consisted of Pierre Jay, Bank Commissioner of Massachusetts, Marcus C. Bergh, Banking Commissioner of Wisconsin and John W. Morrison, Deputy Commissioner of Banking of Pennsylvania, covered in its report two subjects—Uniform Laws and Uniform Classification of Bank Reports.

In considering the first subject, the committee calls attention to the great dissimilarity between the laws of the different states relating to state banks, trust companies and savings banks; and also to the fact that "The functions of these three classes of banks are not clearly and distinctly defined throughout the country, but they are often both in practice and by sanction of the law, more or less interchangeable."

The committee considers it neither practical nor desirable to attempt to bring about a uniform wording of state banking laws, believing that "The laws of each state should allow such latitude to its banking institutions as the business to be transacted by them may require." It does, however, consider it proper to recommend the enactment in each state "Of certain fundamental requirements, which will close as many doors as possible to unsafe practices and unsound banking."

These fundamental requirements are considered under the following heads: I. Supervision; II. Organization; III. Powers and Restrictions; IV. Liquidation; V. Unauthorized Banking.

In discussing Supervision, the committee recommends that the supervisor be a practical banker, or at least have recognized qualifications for the office; that politics play no part in his appointment; that his appointment be for a long term, preferably five years; that his assistants be men of banking experience, and be numerous enough to examine every bank doing a commercial business at least twice a year.

It is recommended that statements be called at least five time a year, on past dates, and that these calls should be made on the dates on which the Comptroller of the Currency makes his calls. The object of the last provision is explained as two-fold: "(1) To prevent the transferring of cash between national banks and state banks in order to show a large reserve, which might be done if the calls were made on different dates and (2) to enable those who have occasion to study bank reports to get simultaneous statements of all the banks of discount in the country several times a year."

The committee considers it of vital importance that the supervisor should have ample authority to insist upon the discontinuance of unsafe and unauthorized practices, considering that without such authority there can be no real supervision.

Under the head of Organization, the committee expresses the opinion that organization under general laws is far preferable to that under private charters; and that the supervisor, perhaps in conjunction with one or more other state officers, should have power to

decide whether the proposed corporators of a bank are fit to conduct a banking business, and whether need of a new bank exists in the community. If the state law permits banks to have branches, the committee believes that such branches should not be established without the permission of the supervisor. The maintenance of separate trust departments, distinct from the banking departments, of trust companies is strongly recommended, with all possible safe-guards for trust funds. Similarly, it is urged that institutions receiving savings deposits should maintain separate savings departments.

Under the head of Powers and Restrictions, the committee advises double liability for stockholders, the accumulation of a surplus of at least twenty per cent. of the capital stock, the limitation of loans to any one interest to any amount "certainly not over twenty-five per cent. of the capital and surplus," the forbidding of loans on a company's own stock, and the maintainance of an adequate reserve. The opinion is expressed "That such a reserve should be required of state banks and trust companies on the demand deposits as local conditions may require, but in no case less than fifteen per cent. thereof." Strong ground is taken regarding increased responsibility for directors, urging their frequent meeting, keeping accurately informed regarding the condition of their companies, passing upon all loans and investments, making examinations, being bona fide owners of shares, and taking oaths of office.

Where the liquidation of a bank is necessary, it is urged that the supervisor should have authority to take possession and apply for a receiver. The manner of liquidating failed banks which is prescribed by the National Banking Act is pointed out as the ideal manner, and attention is called to the similar law recently enacted in New York.

Strong ground is taken against unauthorized banking. After calling attention to the abuses and the frauds perpetrated, the report says: "Your committee believes that the amount of money which the public has lost by intrusting it to irresponsible individuals and corporations holding themselves out to be banks, must reach well into the millions of dollars. As the general public is not able to discriminate between legitimate and fraudulent banks, your committee recommends that those who seek to obtain the custody of other people's money should be allowed to do so only when authorized by law and under the full supervision of the state supervisor of banks."

In discussing the matter of uniform classification of bank and trust company reports, the committee points out the great differences now found in the classification of items in reports in different states, and the great advantages that would accrue if such reports in all the states could be made in the same general form and on the same dates—the dates suggested being those on which the reports of national banks are called for. While recognizing the difficulty of an attempt to bring about such uniformity, the committee believes it well worth attempting, and suggests the following:

Form of Report.

The following is suggested as a minimum classification of the report of the banking department of a State bank or trust company:

ASSETS.

1. Loans.
   - *a.* Loans on Real Estate.
   - *b.* Loans on Collateral Security other than Real Estate.
   - *c.* Other Loans and Discounts.
   - *d.* Overdrafts.
2. Investments.
   - *a.* United States Bonds.
   - *b.* State, County and Municipal Bonds.
   - *c.* Railroad Bonds.
   - *d.* Bonds of other Public Service Corporations.
   - *e.* Other Bonds.
   - *f.* Stocks of Corporations.
3. Miscellaneous.
   - *a.* Banking House, Furniture and Fixtures.

- *b.* Other Real Estate.
- *c.* All other resources.

4. RESERVE.
   - *a.* Currency and Specie.
     - Gold Coin.
     - Silver Coin.
     - Minor Coin.
     - Currency.
   - *b.* Due from Reserve Banks.
5. OTHER CASH RESOURCES.
   - *a.* Due from other Banks and Bankers.
   - *b.* Checks and Exchanges for Clearing.
   - *c.* Other Cash Items.

LIABILITIES.

1. CAPITAL PAID IN.
2. SURPLUS FUND.
3. UNDIVIDED PROFITS (less current interest, expenses and taxes paid.)
4. DEPOSITS.
   - *a.* Due to Reserve Banks.
   - *b.* Due to other Banks and Bankers.
   - *c.* Subject to Check.
   - *d.* Certified and Cashier's Checks.
   - *e.* Demand Certificates of Deposit.
   - *f.* Time Certificates of Deposit.
   - *g.* Savings Deposits.
5. MISCELLANEOUS.
   - *a.* Dividends Unpaid.
   - *b.* Bills Payable.
   - *c.* Notes and Bills rediscounted.
   - *d.* All other liabilities.

TRUST COMPANY SECTION MEETING.

THE thirteenth annual meeting of the Trust Company section of the American Bankers' Association will be held at the Brown Palace Hotel, Denver, on September 29, 1908. An exceptionally interesting program has been prepared, and the meeting promises to be of more than usual importance. Special efforts to induce the attendance of many of the older and more influential trust company officials have been made, and if the attendance is as large as now appears probable, there will be something in the nature of a reunion of those who were most prominent in the Section work several years ago. Another thing that adds to the importance of this meeting is the fact that the trust companies of the country have recently passed through their first experience of a real panic since the Section was organized. Discussion of the lessons learned, and of the application of the lessons, will doubtless form one of the features of the meeting.

The program is as follows:

Prayer.

Address of welcome on behalf of the state of Colorado and of the city of Denver, by Governor Buchtel.

Address of welcome on behalf of the Trust Companies, by Wm. E. Hughes, president Continental Trust Co., of Denver.

Reply to addresses of welcome and annual address of the president, by the president of the Section, Philip S. Babcock.

Secretary's report, James R. Branch.

Report of the Executive Committee, H. P. McIntosh, chairman.

Report of the Committee on Protective Laws, Lynn H. Dinkins, chairman.

Address, "The Trust Company—A Necessity," Breckenridge Jones, president Mississippi Valley Trust Co., St. Louis.

Address, "Radicalism vs. Conservatism," F. H. Fries, president Wachovia Loan & Trust Co., Winston-Salem, N. C.

Address, "New York City's Trust Companies Under Present Legislation," Lawrence L. Gillespie, vice-president Equitable Trust Co., N. Y.

Address, "Securities Held in Trust, Methods for the Control and Safeguarding of Them from Loss, and for Their Proper Accounting." Joseph N. Babcock, trust officer Trust Company of America, N. Y.

Brief addresses by vice-presidents of various states, including among the topics discussed any new banking and trust company laws recently enacted in their respective states.

Discussions by officers of various trust companies, presenting their views on "What Lessons for the Trust Companies Were Revealed in the 1907 Panic?"

It is planned to make informal discussion of the various topics a prominent feature of the meeting.

WISCONSIN TRUST COMPANIES.

THE relations between the banks and the trust companies in the State of Wisconsin are evidently not altogether amicable. This in spite of the fact that few states in the Union have been more stringent than Wisconsin in the restrictions placed upon the business of the trust company. At the recent convention of the Wisconsin Bankers' Association—to which trust companies are not eligible—resolutions were adopted setting forth that the trust company situation in the state is

not yet settled upon a satisfactory basis, and recommending that the committee on legislation made endeavors to procure the passage of further laws "That shall be fair and equitable to both the banks and the trust companies." Among the grievances alleged is the paying by the trust companies of what the banks regard as excessive rates of interest.

We are not informed as to all the facts in the case, but there is evidently a disposition on the part of some to make rather bold charges, one speaker at the convention being reported as saying that "The trust companies in New York practically caused the trouble of last fall, and to-day we are suffering for some of their doings." This statement might come with some grace from a corner-grocery politician, but when it comes from a banker of some prominence, it is amusing. It is doubly unfortunate at a time when there is special need for a calm and dispassionate consideration of the whole financial situation.

ARE TRUST COMPANIES BANKS?

WHAT is the distinction between a bank and a trust company? The trust company is empowered to accept and execute trusts of various kinds, and in this particular the difference between the two classes of corporations is easily seen. But in those communities where trust companies maintain banking departments, what is the distinction between the functions of those departments and the functions of ordinary state banks? In theory, the differences even here may be catalogued with some degree of certainty; but in practice the problem is, in many states, not easy of solution.

The theoretical differences between the two institutions were well stated by Judge Sulzberger of the Common Pleas Court in Philadelphia in a recent decision in which it was held that the stockholders of the Union Surety & Guaranty Co. of Philadelphia were not subject to the double liability to which stockholders of banks are subject. The Court said: "Banks and trust companies are not identified with each other in the popular mind. Banks are ancient, trust companies modern. Banks deal primarily with merchants, trust companies with all classes, without distinction. Banks lend on personal credit, trust companies on the security of pledged collaterals. Banks take the risk of the business success of mercantile enterprises, while trust companies incur only the risk of a decline in investment values. Banks actively promote commerce, while trust companies manage investments. What they have in common is that they both receive deposits, which they put out at interest so that the dividends or profits may be earned for the shareholders. Even in this respect there are important differences between the two. Normally banks pay no interest on deposits; trust companies pay such interest. Banks, under the power to discount, are allowed by law to earn interest at a rate somewhat higher than six per cent., while trust companies are limited to the ordinary legal rate of six per cent. * * *

"It is shown that in the legislative mind the receiving of deposits and their loan on collaterals was not considered banking; or, at all events, had ceased so to be considered; that to the latter term a special and peculiar sense had attached; that before the establishment of the national banking system the distinctive points of banking were the discounting of commercial paper and the issue of bank notes; that afterward the latter feature was, for the time at least, eliminated, and that then the sole peculiar characteristic of a state bank was the discounting of commercial paper."

The present discussion is not concerned with the merits of the particular case before the court. The differences between banks and trust companies above enumerated undoubtedly do exist, in part or in toto, in some instances, and especially in the few states where trust companies are held strictly to

trust functions. Even in Pennsylvania, however, there are trust companies which do a banking business within the definition above given—i. e., they discount commercial paper, by "buying" it. In a number of states, trust companies are specifically authorized to discount commercial paper, and in not a few, the law recognizes no difference between state banks and the banking departments of trust companies.

The tendency to recognize no distinction between the two is marked in recent legislation. During the year 1907 no less than seven states adopted laws which either included trust companies in the title "banks," or else specifically included trust companies among the corporations subject to the general banking law. The recently enacted banking law of Ohio authorizes the organization of corporations combining the functions of "a commercial bank, a savings banks, a safe deposit company and a trust company"—and companies so organized will doubtless be known as trust companies. It is not the purpose here to inquire whether this tendency is wise, but only to point out that whatever distinction there may have been in practice, and still is in theory, is fast disappearing not only through the assumption by trust companies of banking functions, but in some degree by the assumption by banks of trust company functions. Instances of the latter tendency are found in the growing custom of the payment of interest by banks, in the establishment of savings departments not only by state banks, but by national banks as well, and in other ways.

RELAXING THE STRAIN.

A YEAR ago, a distinguished London expert, examining into the question of the world-wide financial stringency, laid responsibility partly on the enormous expansion in over-sea trade of the nations. Taking 1906, he found that as compared with the year before—itself an active period—Great Britain's exports had been enlarged by fourteen per cent. and its imports by seven and five-eighths per cent.; that Germany's total foreign trade had expanded ten per cent., our own by twelve per cent., Italy's by sixteen per cent., Russia's by ten per cent., and so on. Later on, the comparison might have been carried further; for exports and imports of England and of the United States, in the ten months up to last November, increased ten per cent. further. It was pointed out, in the inquiry referred to, that with this violent expansion of commerce, prices rose, demand for credits by shippers increased, and the discounting of bills on international exchange was enormously enhanced.

Curtailment of this commerce was the shortest road to relaxation of the strain on capital. For the year to date, England's commerce has shortened its 1907 record by nine per cent., our own by fourteen.

The whole world, in other words, is buying less merchandise and saving up more capital; meantime the demand on international banking facilities is enormously reduced.—*New York Evening Post.*

A TESTIMONIAL TO THE EFFICIENCY OF OUR BANKING METHODS.

SANTO DOMINGO is finding American supervision of the finances an excellent and profitable thing. A letter from W. E. Pulliam, United States Receiver of Customs at Santo Domingo, to the Bureau of Insular Affairs at Washington gives interesting information as to the changed condition of affairs. An immense improvement in the financial condition of the republic is seen. Mr. Pulliam states that the income for the present fiscal year is estimated at $3,948,000, the largest in the history of the country. After deducting the $1,200,000 which according to the terms of the agreement will be set aside this year to apply to the foreign bond payments, a handsome sum will be left for home use. One of the best results of the honest and effective collection and application of the revenue under American supervision is the toning up imparted to the public service generally. The United States of course has nothing to do with the interior administration of Santo Domingo, but appreciative native officials are looking on and learning how.

PRACTICAL BANKING

WITHDRAWAL OF FUNDS IN SAVINGS BANKS.

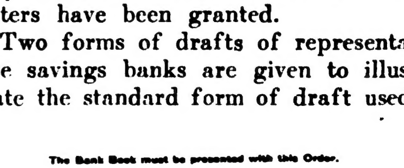
By James P. Gardner.

MUCH delay is often occasioned in the collection of moneys by the legal representatives of deceased depositors in savings banks, by reason of non-compliance with such requirements as the savings banks insist upon.

The conditions for the withdrawal of funds by the proper legal representatives of deceased depositors in savings banks in the State of New York will be found given below. It is essential that all these requirements be followed to the letter else there will be delay in payment.

In the event of the death of the depositor the amount standing to his credit is paid to his legal representative. If letters testamentary or of administration are granted within the State of New York the following documents will be necessary:

1. The pass book.
2. Surrogate certificate of the appointment of the executor or administrator. This certificate must be of recent date.
3. The consent of the Comptroller of the State of New York for the release or transfer of the money. This may be readily obtained by writing to the Comptroller of the State of New York at Albany or to his attorney, 165 Broadway, New York city, who will furnish information on the subject. The Comptroller's receipt for the payment of the tax will be accepted.
4. The receipt of the executor or administrator for the balance of the account; or he may draw a draft in the regular way to the order of the collecting bank on the savings bank, to accompany the papers named. It is always well to have this signature guaranteed to avoid delay.
5. In the event of the administrator or executor acting on letters granted outside the State of New York, some banks require in addition to the above, a certificate from the clerk of the surrogate's court of New York county (to be obtained at the County Court House) certifying that no letter of administration or letters testamentary have been granted or applied for in New York county on the estate of the decedent. This is necessary to assure the bank that no other letters have been granted.


CHARTERED

$______ NEW YORK, ________ 190

The Franklin Savings Bank.

Pay to ______________ or Bearer.

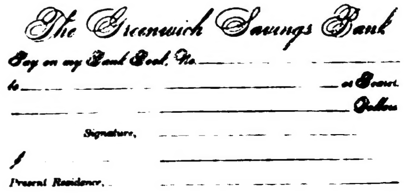
______________ Dollars.

and Charge Book No. ______

Present Address

Sign Here ______________

Two forms of drafts of representative savings banks are given to illustrate the standard form of draft used.


The Bank Book must be presented with this Order.

New York, ________ 190

The Greenwich Savings Bank

Pay on my Bank Book, No. ______________

to ______________ or Bearer.

______________ Dollars

Signature, ______________

$ ______________

Present Residence, ______________

GOLD BULLION.

THE value of a gold bar is determined by the fineness of the gold. Gold and silver bullion is received at the United States Assay Office on Wall street, New York city, and returns are made to the owner in gold and silver bars which can readily be disposed of to dealers at the market rates.

The process of assay generally takes from seven to ten days, and when delivery is made, a statement in detail is given, showing the gross weight of the bullion on receipt, the separate weight of the gold and silver in the mass after separation, the percentage of loss in smelting, the charge for assay and the net return.

U. S. MINT SERVICE.—Form No. 5 F.—7½ x 8¼.

Assay Office of the U. S. at New York.

CERTIFICATE OF SILVER DEPOSITED FOR BARS.

No. .... *Payable as follows:*

BAR NUMBERS.				
	In gold bars,			
	In gold coin,			
	In silver bars,			
	In silver coin,			
	Total,			

This certifies that the net amount of a deposit of SILVER BULLION, made at this Assay Office on the .... day of ...., 190 ,
by ....
account of ....
for which Receipt No. .... was issued, is .... thousand
.... hundred and 100
Dollars, payable to said depositor, or order, as per above Memorandum, on the return of such Receipt.

........, 190

.... Superintendent.

Verified and countersigned:

........, Assayer.

RECEIVED, ..., 190 , of the Superintendent of the Assay Office of the U. S. at New York, in full payment of the amount due as stated in the above Certificate.

....

U. S. MINT SERVICE.—Form No. 4 F. 7½ x 8¼.

Assay Office of the U. S. at New York, N. Y.

CERTIFICATE OF GOLD DEPOSIT.

No. .... *Payable as follows:*

BAR NUMBERS.				
	In gold bars,			
	In gold coin,			
	In silver coin,			
	By check,			
	Total, $			

This certifies that the net amount of a deposit of GOLD BULLION, made at this Assay Office on the .... day of ...., 190 ,
by ....
account of ....
for which Receipt No. .... was issued, is .... thousand
.... hundred and 100
Dollars, payable to said depositor, or order, as per above Memorandum, on the return of such Receipt.

.... 190

.... Superintendent.

Verified and countersigned:

........, Assayer.

RECEIVED, ..., 190
of the Superintendent of the Assay Office of the U. S. at New York, full payment of the amount due as stated in the above Certificate.

....

The price of silver is controlled by the prices on the London market, the figures at the opening of the New York market, owing to the difference

I hereby certify that Check No. ....
on ....
dated ...., *was drawn for*
$ ...., *in favor of* ....
....
to whom it was sent for credit of ....
....
in payment of this purchase per order of ....
.... *herewith inclosed.*

....
Superintendent.

Reverse Side of Silver and Gold Certificates — the same for each.

U. S. MINT SERVICE.—Form No. 48 C.

No. ....

Memorandum of Gold Bullion deposited at the U. S. Assay Office at NEW YORK, on the .... *day of* .... *, 190 , by* ....

N. B.—This Memorandum is for the information of the depositor, and has no other value.

DESCRIPTION OF BULLION.		WEIGHT.				GOLD.			SILVER PARTED FROM GOLD.			CHARGES.		NET VALUE.	
		Before Melting.		After Melting.		Fineness.	Value.		Fineness.	Value @ $ per oz. fi.		Melting, Parting, Refining, Alloy and Bars fees.			
		Ounces.	Dec.	Ounces.	Dec.	1000ths.	Dollars.	Cents.	1000ths.	Dollars.	Cents.	Dollars.	Cents.	Dollars.	Cents.
To be used by the G. P. Gardner for Descriptive Article Only															

I certify that the net amount of the above deposit is .... thousand .... hundred and .... Dollars, payable at the U. S. Assay Office at New York, only on surrender of the Receipt of a corresponding date and number heretofore issued. viz: In Gold Bars, $ .... " " Coin, $ .... " Silver Dolls. ....

.... For the Superintendent.

in time between London and New York, being based on the closing price in London. The figures are quoted by the Western Union Telegraph Company at the opening of business.

While New York prices are based on London prices, the standard of values differs in the United States from the standard of Great Britain. In the United States "fine" silver is practically pure, .999 fine; London silver is .925 fine. This equation, together with the rate of exchange ruling between New York and London, influences the price.

Special assays are made on amounts less than $100 value, at a charge of $2, or if the bullion value for assay is less than $100, gold currency may be deposited to make up the value of $100 and returns made upon such a value without charge for the gold currency so deposited. A few sample blanks used in the United States Assay Office will help to make this clear.

ENDORSEMENTS.

ALL notes sent in for collection by out-of-town bankers to their New York correspondents should be endorsed by the bank sending them in. Often purchased commercial paper endorsed in "blank," is received by New York banks without such endorsement, but it will readily be seen that where such notes are certified, in passing through the clearing-house the "paid" stamp of the collecting bank practically guarantees all endorsements, a position the bank should not be called upon to take where the note does not bear the endorsement of their correspondent.

U. S. MINT SERVICE.—FORM No. 48 C.

No. ....

Memorandum of Silver Bullion deposited *at the United States Assay Office at New York, on the* .... *day of* .... *, 190 , by* ....

NOTE.—This Memorandum is for the information of the Depositor, and is of no other value.

DESCRIPTION OF BULLION	WEIGHT.				SILVER.			GOLD.			DEDUCTIONS		NET VALUE	
	Before Melting.		After Melting.		Fineness.	Value @ $1.00 per oz. fine		Fineness.	Value.		Silver valued at .... cents per oz. fi.			
	Ounces.	Dec.	Ounces.	Dec.	1,000ths.	Dollars.	Cts.	1,000ths.	Dollars.	Cts.	Dollars.	Cts.	Dollars.	Cts.
To be used by the G. B. Gardner in a descriptive Article only														

Payable as follows:

Gold Bars, $ ....

Gold Coin, $ ....

Silver Bars, $ ....

$ ....

.... For the Superintendent.

Fine Silver, oz. .... fine ....

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PROMISSORY NOTE—INDORSER —DEFENSE OF USURY.

HARROWITZ vs. WOLLOWITZ, ET AL.

SUPREME COURT OF NEW YORK, APPELLATE TERM, JUNE 3, 1908.

Under the Negotiable Instruments Law, an indorser of a promissory note cannot, as against a holder in due course, set up as a defense that the instrument is void for usury in its inception.

Under the statute, as well as under the law merchant, the obligation of the indorser is a separate and independent contract.

GIEGERICH, J.: The complaint alleges that on December 28, 1906, the defendant, Barnet Cohen, made and delivered to the defendant, Jacob Jormack, his promissory note, in form as follows:

$500.00 Dec. 28, 1906.
Six months and five days after date I promise to pay to the order of myself five hundred dollars at 16 1-2 Carmine st.
Value received. B. Cohen

—and that at the time of making said note, and prior to its delivery to the plaintiff, the defendant, Louis Wollowitz, indorsed it, for the purpose of giving credit thereto with the defendant, Jormack, and with the intent to charge himself as first indorser. It is further alleged that thereafter and before maturity the defendant, Jormack, indorsed the note to the plaintiff, who on the credit of the prior indorsements, gave value therefor. Then followed appropriate allegations of presentment, nonpayment, protest, and notice. The answer, among other things, sets up that Jormack exacted and received usury from Cohen, the maker of the note, and that the defendant signed his name to said note after such usurious agreement had been consummated and executed between Jormack and Cohen, and that the note was tainted with usury in its inception, and never had any legal and valid inception, and was void for usury.

Upon the trial the plaintiff testified that in June, 1907, the defendant, Jormack, owed him a balance of $650 on account of moneys loaned by him, and that in the early part of July in that year he accepted the note in question in payment of $500 of such indebtedness. At the close of the plaintiff's case a concession was made that there was usury in the inception of the note between Cohen and Jormack. The defendant put in no evidence, but moved to dismiss the complaint on the ground that it affirmatively appeared that the note was void in its inception. The court reserved decision, and subsequently rendered judgment in favor of the defendant.

The answer, in addition to the averments above referred to, also alleges that the plaintiff paid no consideration for the note, and held the same for the benefit and interest of Jormack, who continued to be the real party in interest, and certain facts were elicited on the cross-examination of the plaintiff which might be deemed as having a bearing on such issue, but the briefs argued the case as though it hinged on the sole question presented by the defendant's motion to dismiss, and it will be so considered and decided. On behalf of the appellant it is claimed that section 96 of the negotiable instruments law (Laws 1897, c. 612, p. 732) has entirely swept away the defense of usury as against holders in due course, citing Schlesinger vs. Kelly, 114 App. Div. 546; Wirt vs. Stubblefeld, 17 App. Cas. D. C. 284; Broadway Trust Co. vs. Manheim, 47 Misc. Rep. 415, and the concurring memorandum of Mr. Justice Willard Bartlett in Schlesinger vs. Gilhooly, 189 N. Y. 1, at page 34.

It is not necessary in the present case, however, to pass upon the question of the availability to the maker of a note of the defense of usury as against holders in due course, because the liability involved in this appeal is that of an indorser, not of the maker, and the liability of an indorser is dealt with in other portions of the act; section 116 providing:

That every indorser who indorses without qualifications warrants to all subsequent holders in due course:' * * * (2) That the instrument is at the time of his indorsement valid and subsisting.

In Packard vs. Windholz, 88 App. Div. 365, 84 N. Y. Supp. 666, one Truman made his promissory note to one Eaton, and then forged Eaton's indorsement, and next procured the defendant, Windholz, to indorse it. The note with these two indorsements upon it, was presented to the plaintiffs, who were note brokers, and by them was negotiated for the benefit of Truman. The defendant and those subsequent to him believed the indorsement of Eaton was genuine, and the plaintiffs learned he was responsible. The Appellate Division sustained the judgment in favor of the plaintiffs, holding that the defendant by his contract of indorsement guaranteed the genuineness of the signature of Eaton, the prior indorser on the note, and that the note was a valid and subsisting obligation, citing section 116 of the negotiable instruments law. This ruling was upheld by the Court of Appeals without opinion. (180 N. Y. 549.)

In Lennon vs. Grauer, 159 N. Y. 438, it was held that the fact that the name of the maker of a note was forged did not discharge the indorser; the ground of the decision being that the indorsement of a promissory note implies a contract by the indorser with a subsequent bona fide holder that the instrument itself and all the signatures prior to the particular indorsement are genuine.

Under the language of the statute, as applied by the above decisions, it must be held that in indorsing the note the defendant warranted its validity, and that he cannot be heard now to assert that it is void for usury, any more than for forgery or any other cause. Furthermore, apart from the provisions of section 116, it is an established rule that the obligation of an indorser is a new and independent contract, separate and distinct from the contract evidence by the note. (4 Am. & Eng. Ency. L. [2d Ed.] p. 477, and cases cited; Morford vs. Davis, 28 N. Y. 481; Donohoe vs. Meeker, 35 App. Div. 43.)

The judgment should be reversed, and a new trial ordered, with costs to appellant to abide the event. All concur.

PROMISSORY NOTE—STIPULATION THAT SURETIES CONSENT TO EXTENSION.

UNION STOCKYARDS NAT. BANK OF SOUTH OMAHA vs. BOLAN.

SUPREME COURT OF IDAHO, JAN. 14, 1908.

A promissory note containing a stipulation that no extension of the time of payment shall release the sureties, guarantors or indorsers is not negotiable within the meaning and intent of the Negotiable Instruments Law.*

THIS was an action upon a promissory note in the following form.

No. 0187.

"Cambridge, Idaho, May 8, 1903.

"Six months after date, for value received, I, we, or either of us jointly and severally promise to pay to the order of Uinta Hereford Cattle Company the sum of nine hundred dollars, with interest at the rate of ten per cent. per annum from date until paid.

"Payable at the office of the Peoples' Bank, Salubria, Idaho.

"Should this note be collected by suit, ten per cent. shall be allowed holder as attorney fee. The sureties, guarantors, and indorsers of this note severally waived presentation for payment, protest and notice of protest. No extension of time of payment with or without our knowledge by the receipt of interest or otherwise shall release us or either of us from the obligation of payment. J. H. Bolan."

The plaintiff claimed that it was a holder of the note in due course. This the defendant denied, and alleged that the note had been given in payment for certain live stock purchased by him from the payee, and that the stock purchased were not as warranted.

AILSHIE, *C. J.* (omitting part of the opinion): On the trial of this case the most important and decisive question that arose was that as to whether the plaintiff, Union Stockyards National Bank of South Omaha, was a bona fide purchaser for value in due course of business, within the meaning of the law, so as to preclude the defendant from setting up equities that existed between him and the Uinta Hereford Cattle Company, the payee named in the note. The test to be applied, therefore, in this case is: Was the note sued on a negotiable instrument within the meaning of the statute of this state defining and governing such instruments? (Sess. Laws 1903, p. 380.)

We may note in passing that the uniform negotiable instrument law is in substance merely a codification of the law-merchant on the subject. Appellant contends that since the note sued on contained an express waiver on the part of the sureties, guarantors, indorsers and maker of any and all rights of defense on account of extensions of time of payment of the note, it thereby rendered the note non-negotiable. Subdivision 3 of section 1 of the negotiable instrument law requires that an instrument in order to be negotiable "must be payable on demand or at a fixed or determinable future time." Section 4 of the act provides as follows: "An instrument is payable at a determinable future time, within the meaning of this act, which is expressed to be payable. First, at a fixed rate period after date or sight; or, second, on or before a fixed or determinable future time specified therein; or, third, on or at a fixed period after the occurrence of a specified event, which is certain to happen, though the time of happening be uncertain. An instrument payable upon a contingency is not negotiable, and the happening of the event does not cure the defect."

Section 184 of the act defines a negotiable promissory note, and, among other requisites, provides that it must engage "to pay on demand or at a fixed or determinable future time a sum certain in money, to order or to bearer." The note sued on in this case cannot be said to comply with these provisions of the statute. Its closing sentence provides that, "No extension of time of payment, with or without our knowledge, by the receipt of interest or otherwise, shall release us or either of us from the obligation of payment." This is an express contract to the effect that the time of payment

* The contrary of this was held by the Supreme Court of Iowa in Farmers' Etc. Bank vs. Groettinger, 130 Iowa, 469. The conclusion reached by the Iowa court would seem to be the better doctrine.—Editor.

may be extended to any one or all of the sureties, guarantors, indorsers, or makers of the note without notice to all or any one of them. This undoubtedly renders the note non-negotiable under all the authorities that have been brought to our attention on the subject. By section 52 of the act (Sess. Laws 1903, p. 389), in order to establish that one is "a holder in due course" of commercial paper, the instrument must be "complete and regular upon its face."

In Matchett vs. Anderson Foundry & Machine Works, 29 Ind. App. 207, 64 N. E. 229, 94 Am. St. Rep. 272, the note provided that "the drawers and indorsers severally waived presentment for payment, protest, and notice of protest, and on payment of this note, and all defenses on the ground of any extension of the time of its payment that may be given by the holder or holders to them or either of them." In that case the Indiana Court of Appeals held that the note was non-negotiable, and was subject to defense on all the equities that the maker held against the payee. It will be noticed by comparison that the stipulation contained in that note is almost identical with the stipulation in the note at bar, and was to the same effect as the one here. (For other cases in point, see Smith vs. Van Blarcom, 45 Mich. 371, 8 N. W. 90; Citizens' National Bank vs. Piollet, 126 Pa. 194, 7 Atl. 603, 4 L. R. A. 190, 12 Am. St. Rep. 860; Miller vs. Poage, 56 Iowa, 96, 8 N. W. 799, 41 Am. Rep. 82; Woodbury vs. Roberts, 59 Iowa, 348, 13 N. W. 312, 44 Am. Rep. 685; Glidden vs. Henry, 104 Ind. 278, 1 N. E. 369, 54 Am. Rep. 316; Mitchell vs. St. Mary, 148 Ind. 111, 47 N. E. 224; Second National Bank of Richmond vs. Wheeler, 75 Mich. 546, 42 N. W. 963.) z

The note is non-negotiable, and the indorsee holds it subject to all the equities, counter-claims, and defenses that existed between the maker (Bolan) and the payee (Uinta Hereford Cattle Company).

CHECK PAYABLE TO CORPORATION USED TO PAY INDIVIDUAL DEBT OF OFFICER.

WARD vs. CITY TRUST COMPANY OF NEW YORK ET AL.

COURT OF APPEALS OF NEW YORK, APRIL 14, 1908.

Where a check drawn to the order of a corporation is delivered by one of its officers to a bank in payment of his individual debt, the bank is charged with notice that the assets of the corporation are being misapplied, and cannot claim to be in holder in good faith.

IN March, 1901, Frank A. Umsted, but recently a salesman in the employ of the Hartman Manufacturing Company, a Pennsylvania corporation, and William L. Kiefer, a lawyer, borrowed $125,000 of the defendant, the City Trust Company, a New York corporation, in their own names, and for their own benefit. They had previously arranged to purchase the entire capital stock of the Hartman Company of the face value of $250,000 for $110,000, and they used enough of the proceeds of the loan to pay for such stock, which they pledged as collateral to their promissory note given to secure the loan. The trust company knew that the bulk of the money was to be used to pay for the stock, although it believed that the purchase price was much larger. The interest reserved was at the rate of fourteen per cent. a year, and a commission of over $5,000 was paid in addition. As a condition of the loan, which was procured by misrepresentation and fraud on the part of Umsted and Kiefer, Chapman, a director, and Plummer, a representative of the trust company, were elected directors of the Hartman Company to look after the interests of the former until the loan should be paid. At the same time Umsted was elected president and Kiefer secretary and treasurer. No part of the proceeds of the loan was turned over to the Hartman Company, or used for its benefit, nor was any representation made that it was procured, or was to be used in its behalf. The period of credit was six

months, and about sixty days before it expired Umsted and Kiefer applied to the trust company for another loan, which was refused, but consent was given to the payment of the note before maturity. Thereupon Umsted, on August 2, 1901, falsely representing that the loan from the City Trust Company for $125,000 "had been made for the Hartman Company," procured a loan for the latter from the Hanover Bank for $200,000, which was secured by the promissory note of the Hartman Company, indorsed by Umsted and Kiefer, and the certificates of all the stock of the Hartman Company were pledged as collateral. In paying over the proceeds of that loan the Hanover Bank delivered to Umsted, at his request, to enable him to pay the loan to the trust company and redeem the certificates of stock, its check for $125,000, payable to the order of the Hartman Manufacturing Company, and placed the balance of $75,000 to the credit of that company on its books. Umsted indorsed the check in the name of the Hartman Manufacturing Company by himself as president and general manager, and delivered it to the City Trust Company in payment of the note made by himself and Kiefer. The Hartman Company received no consideration for the use made of the check by Umsted.

VANN, *J.:* (Omitting part of the opinion). The main question presented for decision is whether the facts found, when all are considered together, support the conclusions of law. The form of check in question was notice to the trust company that Umsted was using the property of the corporation of which he was president to pay the personal debt of himself and Kiefer in apparent violation of its rights. (Rochester & Charlotte Turnpike Road Company vs. Paviour, 164 N. Y. 281, Gerard vs. McCormick, 130 N. Y. 261, Hathaway vs. County of Delaware, 185 N. Y. 368, 372). The effect of such notice was to put the trust company upon inquiry to see whether it was about to accept money from one to whom it did not belong in payment of its own claim. The presumption arising from the face of the check was that it belonged to the Hartman Company, and that its president had no right to use it to pay his personal debt. The purpose of the law in exacting inquiry under such circumstances is to see whether the apparent situation is the actual situation, or, in other words, to learn whether facts exist to rebut the presumption. The object is not to discover negative facts, or such as would not arouse suspicion, but positive facts which would allay the suspicion already aroused. If, for instance, reasonable inquiry had been made by the trust company, and the result had tended to show that the check really belonged to Umsted and Kiefer and not to the Hartman Company, or that Umsted was authorized by that company to use it as he proposed, then, even if the fact were otherwise, such inquiry would have tended to rebut the presumption of illegal use, and to protect the title of the trust company. The law goes further than this in order to promote the transfer of commercial paper, for it is settled that if no inquiry is in fact made to dispel the presumption, but reasonable inquiry would have led to the discovery of facts which would have dispelled it, the purchaser of the paper is entitled to the benefit thereof the same as if he had learned them by proper investigation. (Wilson vs. Metropolitan Elev. Ry. Co., 120 N. Y. 145, 153). This benefit, however, carries with it the burden of responsibility for such unfavorable facts as reasonable inquiry would have discovered in relation to the defect that made the inquiry necessary. (Cohnfeld vs. Tanenbaum, 176 N. Y. 126, 130; Rochester & Charlotte Turnpike Road Co. vs. Paviour, 164 N. Y. 281, 286; Seger vs. Farmers' Loan & Trust Co., 187 N. Y. 314, 319). In the case before us no inquiry was made, although the check was for so large an amount as to induce a prudent man to proceed with caution. The

transaction upon its face involved a gift to Umsted and Kiefer, or the theft by them, of a large portion of the assets of the Hartman Company, and under such extraordinary circumstances reasonable inquiry meant one prosecuted with a degree of diligence adapted to those circumstances. Inquiry of Umsted and Kiefer would not have satisfied the requirement, for it was apparent that they were acting in their own interest, and hence beyond the general scope of their authority. (Bank of New York National Banking Association vs. American Dock & Trust Co., 143 N. Y. 559, 564.) The trust company had ample opportunity to learn all the facts, for it had representatives on the board of directors of the Hartman Company, the apparent owner of the check. According to the custom of business men, and especially of banks, the first inquiry would have called for a resolution of the board of directors authorizing Umsted to use the check to pay his own debts. The minute book of the board was open to examination by the representatives of the trust company, but when examined it would have shown no such authority, for the resolution relied upon, broad as it was, simply authorized Umsted as president to take charge of the property and business of the company, and to sign checks, notes and other obligations in its behalf. This meant that he could do these acts only in transacting the business of the company, for no other construction would be reasonable. There was no suggestion of permission to give away the assets of the company, or to use them to pay the personal debts of its officers. Such dangerous power, which might involve the ruin of the company, cannot be conferred unless the intention is expressed with the utmost clearness. "If such a power is intended to be given, it must be expressed in language so plain that no other interpretation can rationally be given it, for it is against the general law of reason that an agent should be intrusted with power to act for his principal and for himself at the same time." (Bank of New York National Banking Association vs. American Dock & Trust Co., 143 N. Y. 559, 564.)

The next inquiry would naturally have been whether Umsted had implied authority, to be inferred from similar acts and past conduct known to the directors of the corporation, and not objected to by them, but that inquiry would have disclosed nothing to rebut the presumption. There is no evidence that Umsted, before his misappropriation of the check in question, had ever used the property of the corporation he represented to pay his own debts or otherwise than in the transaction of its business. No fact of any kind would have been discovered, because none existed, to show authority, express or implied, and the presumption would therefore have stood in full force. While inquiry would have discovered that Umsted had full power to act for the corporation in all its corporate business, it would not have shown that he had the right, either real or apparent, to use the check in question in payment of the debt owing by himself and Kiefer to the trust company. If an officer of that company "had made the inquiry, he would have learned the facts already stated. He is therefore chargeable with all that these facts import, or which is fairly to be inferred from them." (Cohnfeld vs. Tanenbaum, 176 N. Y. 126, 130). If the check had been regular on its face, that is, if it appeared to have passed through the hands of the Hartman Company, and thence into the channels of commerce, as in a case relied upon by the respondent, then, even if offered in payment of his personal debt by one of the officers of the company, the taker without notice would have the right to assume that the relations of the various parties to the paper were what they appeared to be. (Cheever vs. Pittsburgh, Shenango & Lake Eric Railroad Company, 150 N. Y. 59, 66). The case before us, however, is utterly different, for the check showed on its face that it did not be-

long to Umsted or Kiefer, but to the Hartman Company. As was said in the Paviour Case, supra: "There was a shadow on the checks, and the defendant could not, in good faith, accept them until it disappeared. By accepting them he did an act which he had reason to believe would affect the rights of a third party, and he could not, in justice to that party, ignore the suspicions which the facts should have aroused. One who suspects, or ought to suspect, is bound to inquire, and the law presumes that he knows whatever proper inquiry would disclose. While the courts are careful to guard the interests of commerce by protecting the negotiation of commercial paper, they are also careful to guard against fraud by defeating titles taken in bad faith, or with knowledge, actual or imputed, which amounts to bad faith, when regarded from a commercial standpoint." According to the facts found by the referee, when all are read together, we think that proper inquiry by the trust company or its officers would not have shown that Umsted possessed the authority which he assumed to exercise, but, on the contrary, that he had no such authority, either express or implied.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BANKS AND BANKING — DISCOUNT — ASSIGNMENT OF WAREHOUSE RECEIPTS AS SECURITY — PRESENT ADVANCE—BANK ACT, SECS. 86, 90 — FIRM — SUBSEQUENT INCORPORATION OF COMPANY AND ASSIGNMENT OF BUSINESS TO—EVIDENCE OF OWNERSHIP — LIQUIDATION —PARTIES—ESTOPPEL.

TORONTO CREAM AND BUTTER COMPANY, LIMITED, VS. THE CROWN BANK

(16 O. L. R., p. 400).

STATEMENT OF FACTS: Plaintiff company was insolvent and this action was brought in their name by the liquidator to recover from the defendants the proceeds of 500 cases of butter which the defendants claimed had been properly hypothecated to them. Much of the report and judgment is taken up with a consideration of the results of the incorporation of the plaintiff company and the alleged transfer to them of all the assets of the original unincorporated company. Without going into detail it may be stated that the account was opened by the unincorporated company and during the currency of the account the bank had no knowledge of the incorporation or transfer of assets, the account being continued in the bank under the original name. It was, however, after the alleged transfer to the incorporated company that the warehouse receipts were transferred to the bank. The court held that the business with the bank could be carried on in whatever name the customers liked and that there was full authority in the manager to make the transfer in the name of the unincorporated company.

The more important points in the case arise from the consideration of the lending powers of the bank under sections 86 and 90 of the Bank Act. The unlimited company had opened an account with the defendant bank in November, 1904, following upon a letter written by the company to the defendant's manager on November 28, the material parts of which are: "Dear Sir: Our Mr. Clark called upon you some time ago in reference to opening an account in your bank. We would require a line of from $10,000 to $12,000, secured by warehouse receipts upon creamery butter to be stored with the Toronto Cold Storage Company, or Canada Cold Storage Company, Montreal. Also a line of one or two thousand upon our own note, secured by our general accounts and assets as

shown you in our statement. I may say that the latter amount of credit would only be required for a short time during the winter season, when our business is principally local . . ."

From the opening of the account until October 23, 1905, the bank had not received any warehouse receipts. On that date the bank account was overdrawn by $10,258.01, and there was under discount an unsecured note for $1,700, due November, 1905. When the five warehouse receipts were endorsed to the bank, on October 23, 1905, Clark, in the name of the unlimited company and as manager, signed a promissory note for $6,000 at three months "with interest until paid," which was discounted, and the full $6,000 placed to the credit of the account. At the same time Clark, in the name of the unlimited company, signed a hypothecation of the warehouse receipts, expressed to be in consideration of the bank having discounted the note of $6,000, and as security for its payment. The defendant's manager, Mr. Young, says that at that time Clark agreed that he would bring in further warehouse receipts sufficient to cover the debt; also that the loan would not have been made if security had not been given or promised; but there is no evidence that the ninety-nine cases which had been warehoused on October 20 and 21 were then or afterwards specifically referred to by Clark.

After placing the $6,000 to the credit of the account, there remained a debit balance of $4,258.01, in addition to the current $1,700 note. This balance was thereafter gradually reduced, and at the time of the liquidation there was only outstanding the $6,000 note, a $2,000 note discounted on October 27 and an open debit balance of less than $200. No attempt was made to draw out the $6,000, and the evidence leaves it uncertain whether the company would have been allowed to do so.

After the liquidation the defendant realized on the whole 500 cases, having given an indemnity to the warehouse company in respect to the ninety-nine cases. The following general questions arise for determination: (1) Had the plaintiff company any title in the 500 cases when warehoused? If the answer to this is "no," of course the action falls. (2) Assuming they were the property of the plaintiff company, who is entitled to the proceeds of the 401 cases covered by the warehouse receipts? and (3) Who is entitled to the proceeds of the ninety-nine cases?

Judgment (Moss, *C.J.O.*, Osler, Garrow and Maclaren, *J.J.A.*, Meredith, *J.A.*, dissenting): Four of the five judges sustained the judgment of the trial judge, concurring in the judgment of Mr. Justice Maclaren. A dissenting judgment was given by Mr. Justice Meredith, upon the ground that there had been no negotiation upon the note within the meaning of the Act.

The main parts of the judgment of the Court of Appeal appear below.

The bank claims, first, that it acquired the warehouse receipts for the four hundred and one boxes as collateral security for the payment of a debt incurred in its favor by the Toronto Cream and Butter Company, in the course of its banking business, in accordance with sec. 73 of the Bank Act of 1890, which was in force when the transaction in question took place: and that it acquired them under a written promise, which was a sufficient compliance with sec. 75 of the Act, which provided that "the bank shall not acquire or hold any warehouse receipt or bill of lading or security under the next preceding section to secure the payment of any bill, note, or debt or liability unless such bill, note or debt or liability is negotiated or contracted at the time of the acquisition thereof by the bank, or upon the written promise or agreement that such warehouse receipt or bill of lading or security would be given to the bank."

The bank claimed, first, that it was entitled to hold the warehouse receipts under a letter of November 28, 1904, from the company, by Clark or manager, addressed to the bank, as a sufficient written promise under sec. 75 of the Bank Act above quoted. The letter reads as follows: "Our Mr. Clark called upon you some time ago in reference to opening an account in your bank. We would require a line of from ten to twelve thousand dollars, secured by warehouse receipts upon creamery butter, to be stored with Toronto Cold Storage Company or Canada Cold Storage Company, Montreal." The remainder of the letter is not material to the present issue.

The trial judge was of the opinion that this letter was a sufficient "promise or agreement that such warehouse receipts would be given to the bank" to comply with sec. 75 of the Bank Act.

With this conclusion I am, with great respect, unable to agree. There is certainly no evidence of an "agreement," and I do not think that it is such a "promise" as the Act contemplates. If, when the loans which go to make up the overdraft were made, there had been a written promise to furnish specific warehouse receipts, and the loans were made on the strength of such promise, then the case would have been entirely different. I think the fair inference from the letter rather is that the company would furnish warehouse receipts to the bank at the time they were contracting the loans or negotiating the notes, as is done in the ordinary course of business. Besides, the warehouse receipts mentioned in the letter are those of the Toronto Cold Storage Company and the Canada Cold Storage Company; the one now in question is given by the McLean Produce Company.

For the ninety-nine boxes the bank has no claim except the alleged promise in the letter and a verbal promise given by Clark the last time he was at the bank, so that its cross-appeal with respect to these must be dismissed.

As to the four hundred and one boxes, the bank claims the right to hold them on another ground, namely, that it acquired the warehouse receipts covering these on October 23, 1905, as collateral to secure the payment of the $6,000 note of the company discounted and negotiated on that day.

This brings up directly the question, was the transaction of that day a bona fide discount and negotiation of the $6,000 note, or was it a mere colorable transaction to substitute the current paper for so much overdraft, and furnish a pretext for the taking of the warehouse receipts?

There can be no doubt that the form in which it was put through in the books of the bank was that, when the $6,000 were put to the credit of the company, the effect was simply to reduce the overdraft by so much. But we should look at the substance of the transaction rather than at the form. If the proceeds of the note were not placed under the control of the company, then I do not think it could be said that there was a "negotiation" of the note within the meaning of sec. 75. The case would then fall within the rule laid down in Halsted vs. Bank of Hamilton, 27 O. R., at p. 439, which was affirmed by this Court. 24 A. R. 152, and by the Supreme Court, 28 S. C. R. 235.

It therefore comes to be a question of fact as to what was the real nature of the transaction of October 23. When asked to give the history of the transaction, Mr. Young, the bank manager, says: "Mr. Clark came to the bank with some warehouse receipts, and said the butter was going to remain for some time, and wanted to get a loan on the butter for three months, and got the loan."

He says, further, that the bank was not pressing for the payment of the overdraft, and that the taking of the note and the warehouse receipts had no reference to the overdrawn account; but was for a loan on the butter to provide funds for the continuing of the account in the ordinary way. He also

says, in answer to his Lordship, that there was no condition imposed upon Clark at the time the loan was made which would prevent his drawing it out, and that if he had given a cheque immediately for the whole $6,000 the bank would have honored it.

This evidence, if accepted, at once distinguishes this case from Halsted vs. Bank of Hamilton, and puts it in the same class as Ontario Bank vs. O'Reilly, 12 O. L. R. 420, where this Court upheld transactions where warehouse receipts were received by the bank when the account of the customer was overdrawn, on the ground that the proceeds were placed freely at the disposal of the customer, and the drawings on the account continued as before.

On these grounds I am of opinion that the judgment appealed from as to the four hundred and one boxes can be upheld, and that the main appeal should, consequently, be dismissed with costs.

BANKS AND BANKING — CHEQUE COUNTERSIGNED BY REPRESENTATIVE OF BANK —AUTHORITY OF REPRESENTATIVE—PROMISE NOT MADE IN WRITING—STATUTE OF FRAUDS (29 CAR. II. CH. 3), SEC. 4—ORIGINAL LIABILITY —BANK ACT, R. S. C. 1906, CH. 29, SEC. 76.

SIMPSON VS. DOLAN AND THE SOVEREIGN BANK (16 O. L. R., p. 459).

STATEMENT OF FACTS: This was an appeal to the Divisional Court from the judgment of the judge of the County Court of the County of Lincoln, in an action to recover the sum of $249.92 on a cheque given under the following circumstances:

Prior to 1906, Flynn Bros. manufactured canned goods and vegetables at the city of St. Catharines. At the close of the year 1905, Flynn Bros. had an overdrawn account with the Sovereign Bank. At the opening of the season of 1906, when Flynn Bros. applied for advances for that season, the bank refused unless the defendant Dolan was employed to look after the business—to act as bookkeeper, to weigh, measure and receive products purchased from farmers and other producers, and to countersign all cheques given for such produce.

This arrangement was made, and Dolan acted throughout the season, and countersigned all cheques drawn by Flynn Bros. in payment of produce received. The cheques were in a similar form to the one given to the plaintiff when he delivered his produce at the factory—which is as follows:

St. Catharines, Ont., Dec. 13th, 1906.
The Sovereign Bank of Canada pay J. M. Simpson or order Two Hundred and Forty Nine 92|100 Dollars $249.92. Peaches.
(Sgned.) Flynn Bros.
"J. B. Dolan" (signed across the cheque.)

The business was conducted in this manner for the season of 1906. His Honor the county court judge finds "that Dolan represented to the farmers and producers that it was safe for them to bring their produce to the factory; that he would receive it and give them cheques on the Sovereign Bank, which would be cashed." This was apparently necessary to induce producers to bring their produce to that factory, as they had considerable trouble the preceding year. Under this arrangement Dolan received produce and gave large numbers of cheques, all of which were paid by the Sovereign Bank, except two or three, of which the cheque sued on is one. When the cheque in question was presented the manager delayed payment, and finally refused to honor the same, alleging that Flynn Bros. had largely overdrawn, and that he thought the bank was entitled to all there was left. The bank at that time had liens on the whole plant, property and product of the firm. During the season Dolan managed all the business, purchased the products and made sales of the produce, doing all the business with the Sovereign Bank. The bank received the profits on all sales and paid all

drafts. All cheques for produce were countersigned by Dolan; all the produce received went into the general output, and among it were the plaintiff's goods. The bank through Dolan disposed of the entire output and got the proceeds. Flynn Bros. made an assignment for the benefit of creditors about the first of April, 1907. He further finds that Dolan did not pledge his individual credit. The plaintiff says he sold his produce at the factory on condition that the Sovereign Bank was to pay for it. He says he saw Dolan at the factory, who said he represented the bank and that the bank would cash the cheques. His first cheque was cashed without delay. The cheque sued on was for peaches. He says Dolan made him an offer, and he accepted and looked to the Sovereign Bank from what he told him when he said he was there in the interests of the bank. He said, "take your cheque to the Sovereign Bank and you will get your pay."

His Honor finds it "quite certain that Dolan had authority to give parties having produce to understand that if he countersigned cheques therefor the bank would pay them at once. That as a matter of fact he did so represent and the bank did pay all but this cheque and possibly one more. To that extent Dolan was the agent of the bank, and I so find and hold."

Judgment (Anglin and Clute, *J.J.; Meredith, C.J.* dissenting): The judgment of the majority of the Court was delivered by Clute, J., who held that the evidence amply supported the finding of the County Judge just quoted. The question was whether upon such facts the plaintiff could recover in view of the defence that the fourth section of the Statute of Frauds applied and the agreement of the Sovereign Bank to answer for the debt of Flynn Bros. not being in writing was not enforceable.

The learned judge then carefully reviewed the authorities on this point and adopted the rule laid down in Couturier vs. Hastie, 8 Ex. p. 40. The true test is, whether the defendant is interested in the transaction, either by being the person who is to negotiate it or in some other way, or whether he is totally unconnected with it. If he is totally unconnected with it, except by means of his promise to pay the loss, the contract is a guarantee; if he is not totally unconnected with the transaction, but is to derive some benefit from it, the contract is one of indemnity, not a guarantee, and sec. 4 does not apply."

The question is, then, whether in the present case the bank had such an interest as would bring a promise made by the bank to pay the cheques countersigned by Dolan, within the true meaning of Lord Esher's judgment, as having an interest in the transaction. No doubt the case is very close to the line. To ascertain the meaning of the arrangement the whole transaction has to be looked at. The bank had a large overdrawn account of the previous year, which they hoped to reduce, and which was in fact reduced, by the business carried on under this arrangement in 1906. It was undoubtedly the intention of the bank—and the business was so carried on as to give effect to this intention—that any goods which were received by Dolan and for which he countersigned the cheque of Flynn Bros., the bank was to receive the benefit of. Their arrangement was such that they could control the business output, the sale and the receipt of money, and they did so control it under the management suggested by them, that they did in fact receive the proceeds of all the sales including the sale of the produce delivered by the plaintiff. They had, therefore, a direct money interest in the goods to be delivered; they induced those goods to be delivered by holding out a promise that they would pay for them upon the cheque being presented signed by Dolan, who must, I think, be considered their agent, as well as the agent of Flynn Bros. It was not intended that if Flynn Bros. made default in the payment of the bill they would pay

it; but rather if the bill was presented countersigned by their agent, as evidencing delivery of the goods, they would pay it.

The bank was not a partner; the bank did not carry on this business. They did, however, enter into this arrangement by which they had sufficient control of the business to receive the profits of the output and in that way recoup themselves for their advances, and receive the profits of the firm, whatever they might be, to apply on the overdrawn account. The bank had in my opinion such an interest as to bring this case within the principle applied in the above cases, and so exclude the fourth section of the statute.

I think the judgment below may be supported upon another ground, namely, that there was evidence from which a jury might find, as His Honor the County Court judge did find, an original liability on the part of the bank, that the plaintiff relied upon the bank paying him, and looked to the bank in the first instance for such payment. It is true that if the mere form of the cheque is to govern, it would follow that Flynn Bros. are the principal debtors, but, as was pointed out in Batson vs. Kink, 4 H. & N. 739, "it may always be proved what is the real nature of the transaction."

After reading the evidence, I entertain no doubt that credit in this case was given to the bank; that the plaintiff did not intend from the first to look to Flynn Bros., whom he regarded as financially unsound; and would not have delivered his produce but for the promise of the bank made through Dolan.

In the view of the editor there is much to be said in favor of the dissenting judgment of Chief Justice Meredith who found upon the facts that Dolan was not authorized to pledge the credit of the bank and in any event did not do so.

It is manifest that the respondent cannot recover from the appellants for goods sold and delivered to them or to Dolan as their agent, as such a transaction would be in direct violation of the provisions of the Bank Act, and the only way in which, if at all, the respondents can succeed, is by establishing that Dolan was authorized by the appellants to pledge their credit for the price of the goods, and that he in fact did so, and that the credit was given to the appellants and not to Flynn Bros.

Coupling with this the fact that the cheques were the cheques of Flynn Bros., and what is, I think, a fair inference from the respondent's testimony, that he knew that the business was being carried on by Flynn Bros., I cannot see that what was said by Dolan amounted to a promise by Dolan justifying a finding that the respondent gave credit to the appellants. The proper conclusion is, I think, that credit was given to Flynn Bros. upon the collateral promise by Dolan that the appellants would pay Flynn Bros.' cheque upon its presentation, and upon such a promise the respondent cannot recover, the promise not being in writing.

I refer also to the case when before the Exchequer Chamber (1871), 7 Q. B. 196, and to the note to Mr. Evans' edition of Salkeld's Reports, referred to by Willes, J., as p. 202: "From all the authorities it appears, conformably to the doctrine in this case, that if the person for whose use the goods are furnished is liable at all, any other person's promise is void except in writing."

In the case at bar there was a principal debtor, Flynn Bros., for whose use the goods were to be furnished, and they were liable to the respondent. The purpose of the arrangement with Dolan was not to obtain a contract from him for the purchase of the fruit, but to secure the respondent that he would be paid for the fruit which he contemplated selling to Flynn Bros., and Dolan's promise was therefore in my opinion, as I have said, a collateral promise to answer for the debt of another.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

FORGED INDORSEMENT—RECOVERY.

ONTONAGON, MICH., July 1, 1908.

Editor Bankers Magazine:

SIR: We cashed a foreign draft in the following form for Erick Aho. It appears that Mr. Aho got this draft in a registered letter addressed to one Erick Olen, forged the endorsement of Erick Olen and endorsed it himself and secured the money.

Months later it was thought that the original draft was lost and a duplicate was issued and properly endorsed by Erick Olen and delivered to one Fred Johnson on payment of something like $100. Mr Johnson brought this duplicate to the bank and got full amount of the draft. When the duplicate got to the First National Bank of Chicago, it was discovered that the original had been paid and payment was then refused on the duplicate. It came back to us and was in turn handed back to Mr. Johnson for which he paid. Through an attorney we are now asked to make good the amount, and we maintain that they have not used due diligence in making demand as nearly four and one half years has elapsed since the original draft was paid. Will you please give us your opinion as to the liability of this bank through your magazine? *Cashier.*

The Original of Wasa Aktie Bank, Wasa.
Under date of Jan. 2, 1904.
No. 1309. Dollars 271.25.
On demand pay the First of exchange (Second unpaid)
to the order of Mr. Erick Olen
Dollars Two hundred seventy one 25 cents value received.
To the First National Bank
Hancock, Mich.
Wasa Aktie Bank,
A. E. Akessen.
In case of need present to First Nat. Bank, Chicago.
(Endorsed) Erick Aho.
Erick Olen.
Erick Olen.
Erick Olen.

Pay any bank or banker or order The First National Bank of Ontonagon, Mich., C. Meilleur, Cashier.

Pay any bank or banker or order The Ontonagon Co. Nat. Bank, Rockland, Mich., C. F. Smith, Cashier.

Pay any bank or banker or order First National Bank of Hancock, Mich., Wm. Condon, Cashier.

Answer: The general rule is that money paid upon a forged indorsement may be recovered by the drawee bank as money paid under a mistake of fact. (Espey vs. Bank of Cincinnati, 18 Wall. [U. S. Sup. Ct.] 604; Bank of Commerce vs. Union Bank, 3 N. Y. 230; Nat. Park Bank vs. Ninth Nat. Bank, 46 N. Y., 77; Redington vs. Woods, 45 Cal. 406.) And such bank has a reasonable time in which to detect the forgery and demand restitution; and if no negligence is attributable to such bank in failing to make the discovery, it will ordinarily be sufficient if notice is given to the holder as soon as the forgery is known. (Canal Bank vs. Bank of Albany, 1 Hill, 287; Third Nat. Bank vs. Allen, 39 Mo. 310.) In some cases, recovery has been allowed where there was a delay of several months, but we do not know of any case where recovery has been had after a lapse of so long a period as in the present case.

DEMAND NOTE — PROVISION FOR PAYMENT OF INTEREST IN ADVANCE.

SCRANTON, PA., July 22, 1908.

Editor Bankers Magazine:

SIR: A bank loans upon a demand note containing the clause "with interest at five per cent. payable every three months in advance." Does the clause regarding the payment of interest change the contract (demand) and place the paper in the category of time paper? If so, is not the paper contradictory. If intended to be considered as time, would it not be better to so state it "three months after date" for instance. Does the collecting of interest in advance preclude the presentation and demand, of course refunding interest in that case. How is the endorser affected? D.

Answer: The instrument referred to is unusual, and so far as we can find, has received no construction in any reported decision. Payment of

interest in advance does not necessarily operate to suspend the right to demand payment of the paper; but this depends upon the intention of the parties at the time. (Calvert vs. Good, 95 Pa. St. 65; Grayson's Appeal, 108 Pa. St. 581; Wakefield Bank vs. Truesdell, 55 Barb. N. Y., 602.) Taking into consideration all the provisions of the note, we should say that it remains payable on demand, even though interest is collected in advance, in which case the amount so paid would be credited on account of the total sum due.

GOVERNMENT BANKS IN CHINA.

HENRY P. FLETCHER, Charge d'Affairs of the American legation at Pekin, transmits the following report, prepared by Student Interpreter Willys R. Peck, on Government banks in China:

Two Government banks have been established, the Imperial Bank and the Bank of Communications, controlled, respectively, by the board of finance and the board of posts and communications. The board of finance has drawn up and gained imperial sanction for a set of general laws relating to banking, and two sets of regulations for the establishment of special forms of banks, viz, industrial and savings banks. It is to be observed that the effect of this recent legislation is to place the whole banking business of the country under the supervision of the board of finance.

The Imperial Bank.

The Imperial Bank, which has hitherto been called the Bank of Board of Revenue, is a stock concern, capitalized at 10,000,000 taels (haikwan tael—68 cents), of which the Government will subscribe one-half. Its existence is limited to thirty years, after which period it may be continued if found profitable. While it will transact all ordinary banking business, the main function of the Imperial Bank will be, as far as the board of finance may deem advisable, to serve as the depository for all Government funds, and the medium through which national financial deals may be consummated. Its other duties will be to act as the instrument of the Government in preserving the monetary equilibrium of the Empire by means of loans here and there, as circumstances require, and to control the issuance of paper money. At some future date it will have exclusive prerogatives in this particular, but in all of its activities it is to be under the direct control of the board of finance, the power of the shareholders being practically nominal. As its business expands agencies will be established throughout the country, which will also transact ordinary banking business, while serving as the medium through which the bank may affect monetary conditions in the provinces.

Banking Laws—Industrial Banks.

The general banking laws are designed to safeguard business conditions by preventing banks from becoming insolvent. To this end strict Government supervision is made compulsory for all banks, especially as regards the issue of notes. This latter provision will, of course, be unnecessary when the Imperial Bank is vested with the exclusive privilege of issuing them. To compensate for the restrictions imposed on banks the Government asserts its willingness to aid with a loan from the Imperial Bank any banking concern involved in special difficulties, if said difficulties can be shown to be of an unavoidable and temporary character. The scope of these laws is sweeping, and if they are enforced all the banking business of the Empire will be closely watched by the board of finance.

The industrial banks, provided for in a special series of regulations, may be of private or Government origin and are designed especially as an aid to the lower classes. They are to loan money in small amounts on easy terms as regards security. The rate of interest is not fixed. Local officials will, with public funds, aid each bank for the first years of its existence. Ordinary banking business is permitted if confined to a scale accessible to the lower classes.

The need for special laws regulating the conduct of savings banks arises from the fact that ordinary Chinese banks do not engage in this department of banking, as we understand it. The security of deposits in these banks is safeguarded by the compulsory retirement each year of at least a quarter of all deposits and their retention in an available form as a reserve fund. Registration with the board of finance of all banks doing this kind of business, and constant supervision of their affairs by the same board, are henceforth to be compulsory throughout the Empire.

Bank of Communications.

Just as the Imperial Bank is the instrument of the board of finance so the Bank of Communications is the organ of the board of posts and communications in its control of railways, telegraph lines, and postal facilities. In addition to transacting the ordinary business of a bank, its special function will be to act as place of deposit for the funds of public utilities under the control of the board of posts and communications. It will also care for all funds accumulated for the redemption of the Peking-Hankow Railway, and will have control of all bonds issued by the Government to provide for the construction of railways. It will establish agencies or connections wherever conditions demand, but these and the central office will in every essential particular be under the direct control of the board of posts and communications.

As will be observed the changes inaugurated in this new legislation are far-reaching. But it is reasonable to expect large developments along these lines. Li Ching-ch'u, a nephew of Li Hung-chang, and a man of experience in banking, is president of the Bank of Communications. This bank is temporarily located in the southern city; the equipment, as regards both accommodations and staff being on a generous scale. A permanent building will be erected in the Tartar city, opposite the building of the Imperial Bank. The latter, since it is a continuation of the Bank of the Board of Revenue, is an energetic concern. It has recently dispatched Mr. Ch'en Chin-t'ao, an official educated in the United States, to Europe and the United States to buy machinery and engage a superintendent in preparation for the printing of paper money. [Regulations of the Imperial Bank, laws relating to banking, savings bank laws, regulations for industrial banks, and regulations for the Bank of Communications, transmitted with the foregoing report, are on file in the Bureau of Manufactures, Washington.]

CURRENT OPINION

THINGS WORTH OBSERVING.

UNDER the heading "A Currency Object Lesson," the Journal of Commerce and Commercial Bulletin recently took the opportunity to deliver a straight-arm jolt at the National Monetary Commission, now sojourning in Europe.

This was the editorial, in part:

Interior exchange is turning again to New York as the season approaches for the withdrawal of currency to aid in moving the crops. This is a process that ought to be watched and studied with peculiar interest this year on account of its bearing on the question of reforming the bank currency system. That Congressional joint committee which bears the label of a "National Monetary Commission" ought to give particular attention to it, instead of junketing abroad to gather information about foreign systems which is perfectly familiar now to all who are real students of the subject.

On account of the plentitude of currency and the lessened requirements for its use in general business, the demand from the interior is not likely to cause the usual autumnal stringency, but its effect will be instructive all the same, because it will illustrate the defective working of our system, and the time is favorable for giving attention to the lesson. The surplus reserves of the New York banks will be gradually drawn down and the interest rate in the money market will rise. While the excessive volume of currency will probably prevent this from bringing on anything like an emergency or causing any serious disturbance through transfers of cash, it will be plain that the movement is not a normal one resulting from the natural and easy operation of sound principles of banking. It will be easy to infer from watching the process what might happen if conditions were different. If instead of depression and an excessive volume of currency there were activity and an insufficient volume, the drain of money to the West and South would cause stringency here and the Government would be in no position to relieve it by increasing deposits because the Treasury balance is a constantly diminishing one, on account of the current deficit in receipts.

There will probably be no test of the emergency provisions of the Aldrich-Vreeland bill, because the drain upon the financial center will not be severe enough to induce the banks to put up security for additional notes upon which they would have to pay a five per cent. tax. No normal crop-moving demand would be sufficient for this, and the demand this year will be less than usual and the means for meeting it more than ordinary. It is only something approaching a crisis, probably nothing short of a panic, that would bring out the additional circulation under the Aldrich plan. If anything was done it would be by individual banks having state and municipal bonds to deposit as security rather than by the "national currency associations" provided for. The real effect would be to shorten the supply of currency at the centers, and especially at the chief center, force up the rates for loans and restrict the accommodation to commercial business. If it went so far as to induce banks to take out five per cent. notes, that additional charge would fall upon the business community and add to its restraint. What banks were forced to pay to the Government they would collect from their customers.

From contemplation of what will happen in the currency movement of the fall and what surely would happen if instead of excessive reserves and diminished requirements there was a contracted volume of money and maximum requirements, it will be instructive to turn to a consideration of what would happen with a sound system of bank circulation based upon banking credit and resources. In the first place there would have been no such sudden panic and sharp crisis as occurred last fall, with the strain of importing gold at heavy cost and unusual expedients for Treasury relief. Stringency would have been greatly mitigated, if not wholly prevented, by a well guarded expansion of bank circulation, followed by a corresponding contraction as the emergency passed, and at the present time there would be no excessive volume of currency and accumulation of idle bank reserves, with call loans below the rate paid on funds deposited here. As the crop-moving demand came on, banks in the West and South would strengthen their resources and increase their circulation to meet their own local requirements. They would have to draw more or less upon the centers with their credit, but these could in the same way expand their note circulation instead of transferring their reserves, which would not then be excessive. Then when the need of the increased volume of currency for gathering and marketing crops had been met, the bank circulation would contract in the same easy and normal way in which it had expanded, and there would be no strain or disturbance. The bank currency would perform its only proper function of supplementing the currency of coin and its full equivalents with a credit currency, giving the entire volume the elasticity necessary to keep it in constant adjustment to the varying requirements of business.

BRYAN'S PANACEA FOR PANICS.

POSTMASTER-GENERAL MEYER, who was recently at Hot Springs, Va., in conference with Judge Taft, expressed himself in an interview on the general political situation and on the Democratic proposition of guaranteeing national bank deposits, declaring the latter to be "one step farther toward Socialism." Continuing he said:

Mr. Bryan has been endeavoring to give the impression that the President has stolen

some of his policies. The Democratic candidate, however, is identified with free silver, the dishonest dollar, a policy of repudiation of national and private debts and obligations, anti-imperialism and government ownership. Mr. Roosevelt has never been a free silver man, has always believed in the honest dollar. No one would ever accuse him of anti-imperialism, and he has been most emphatically against government ownership, but has contended for government supervision wherever necessary.

The progressive reforms and practical policies which Mr. Roosevelt and the Republican party have put in force would be gladly claimed by Mr. Bryan as his own.

Short Cut Against Panics.

In the present campaign the Democratic candidate is bringing forward a short cut and plausible panacea against panics, the guaranteeing of deposits in national banks.

At first sight this would appear to be a sort of insurance. Insurance, however, is a contract whereby one party voluntarily pays to another party a fixed sum for indemnity against loss and not to exceed an agreed amount. The guaranteeing proposition compels by law the banks to pay unknown sums for future losses and to an unknown amount and subject to unknown risks over which they had no control.

The Democratic platform pledges the party to compulsory guaranteeing of deposits for all national banks, with its provisions available for all state financial institutions desiring to use them.

This guaranteeing of deposits by all banks would mean nothing less than that the conservative and honestly managed banks would have to pay the debts of banks which have been badly and dishonestly managed.

The proposed system would result in revolutionizing the methods of banks and state banks, and trust companies would be forced to enter under the same arrangements in order to have their deposits guaranteed, which would be an injustice to the national banks, as the stockholders in the national banks are subject to double liability for deposits, which is not true of state banks.

ROOSEVELT ENTIRELY SATISFIED WITH ALDRICH-VREELAND LAW.

HERE are two letters written by President Roosevelt and given out to the press of the country by Senator E. J. Burkett of Nebraska, which commend the Aldrich law unqualifiedly:

I heartily approve of the currency measure. Otherwise I would not have signed the bill. In my judgment, it would have been most unwise not to have passed it, and not a single argument worth heeding was advanced against it. I inclose you a copy of a letter I had already written on the subject.

Following is a copy of the letter referred to by the President:

My Dear Mr. Willis—I have your letter of the 20th. My motives were simply those I have in signing any good bill. Beyond all question, the emergency currency bill was a good measure, and I have not heard it attacked with any arguments which I thought even deserved an answer. It is avowedly only an emergency measure; it lasts merely the length of time to permit us to develop a permanent plan; but during that time it makes provision for the needed elasticity of currency, and it does it in an utterly unobjectionable manner.

It does not accomplish very much, but it does accomplish something, and there is literally not one objection that has been raised to it worthy of paying the slightest heed to, while, furthermore it makes the admirable provision for a commission to make a report on the permanent currency plan.

Sincerely yours.

THEODORE ROOSEVELT.

NEED OF A CENTRAL BANK.

IN an address before the Montana Bankers' Association at Helena, president George E. Roberts of the Commercial National Bank of New York said, in part:

Whenever a central bank has been proposed for this country, objections have been raised: First, that we have had experience with such an institution, that it got into politics and probably would again; second, that it would be in the nature of a monopoly, and might fall into the hands of a few and be managed for their interest instead of for the general good; and finally that we have developed a system of local banks and that it would be injurious and unfair to them to establish an overshadowing competing institution.

All these objections I believe could be met. The old Bank of the United States was a close corporation, with much of the stock owned in Europe. It did a general banking business in all our principal cities, competing with the local banks in all lines, and it naturally excited jealousy and antagonism.

Central Organization the Essential Feature.

It is not proposed to establish a central bank upon that plan. The essential feature of the plan we want somebody to embody in our system to-day is that of a central organization, call it a central bank or a central clearing-house, or what you like, which will have great reserve strength and will stand behind the whole banking and business situation, with power of note issue —ability to actually increase the supply of lawful money when needed—and to take over ordinary commercial assets of a bank and advance currency upon them.

The weakness of our banking in every time of strain is in isolation of the individual units. The natural impulse of the scattered banks to take care of themselves always aggravates the danger. Each bank is thrown wholly upon its own resources, and the instinct of self-preservation prompts it to hold on to its cash and collect in its loans, both of which efforts add to the general distress.

Let us have an organization of all banks which will do for each, under authority of law, what the clearing-house of each important city did for its members last fall. We have the outline of such a system in the new currency act which provides for associations of banks for issuing currency on the same general plan developed by the clearing-house associations. But when we put the law into effect, the practical deficits in the proposed organization are apparent. The common head is to be the secretary of the treasury. This certainly is not an ideal plan for supervision. It is open to the most serious objections brought against the central bank plan, and to others. It is a highly centralized control, not out of politics, and there is no probability that all secretaries, who scarcely average four years in office, will have the experience or other qualifications which the permanent staff of a central bank would. Again, each member of these associations has one vote, no matter what the size of the bank may be, and all the banks have an indefinite liability for each

other. While bankers were willing to assume relationships and liabilities temporarily last fall, they ought to be eliminated from a permanent plan. The whole plan is designed for temporary needs only, and yet the principal of currency issues is the principal of the central bank. Why not go on and perfect that system?

Instead of the shadowy organization called a currency association, why not make the note-issuing organization a distinct entity? Instead of requiring the banks to assume indefinite liabilities for each other, why not give this organization which is to lend money a paid-up capital of its own to cover any loss it may incur? Why not give it an independent footing and responsibility, and let it do business by common business methods? And finally, we should adhere to fundamental principles and require any organization which issues paper money to carry a proportionate gold reserve.

What a Central Bank Offers.

The central bank offers a more comprehensive treatment of the whole subject than any other plan. It meets the objections to credit issues by thousands of individual books; gives abundant elasticity under responsible control; provides a system under which the enormous collections of the treasury may be handled by experienced bankers without disturbance to the money market. Nine men out of ten who have been students of the subject will say the central bank plan is ideal, but some are afraid it is out of reach or that the relations of the government might prove to be politically impracticable. The objections to the plan are not so serious as the objections to any other plan, or so serious as the objections to other functions which the government has been compelled to undertake.

BRYAN AND THE GUARANTY OF BANK DEPOSITS.

BEFORE an audience which filled the Auditorium at Topeka, Kansas, to overflowing W. J. Bryan, Democratic candidate for President, on August 27 spoke on the subject of guaranty of bank deposits.

Upon the conclusion of his prepared speech, Mr. Bryan said:

I asked Mr. Breidenthal, a banker of Kansas City, to make inquiry among the bankers of Kansas and ascertain what proportion of them favored the guaranty law. I learned that of the banks that had expressed themselves on this subject, about three-fourths of them favored a guaranty law and one-fourth opposed it. That is an excellent showing. Among the depositors there is no opposition at all and it is evident that the Kansas bankers recognize, first, that something must be done; and, second, that the guaranteed bank is better than the postal savings bank. I also inquired of Governor Haskell, of Oklahoma, in regard to the number of national banks that have surrendered their charters and become state banks in order to have the benefits of the guaranty system. I have a telegram from him saying that four national banks have already made the change and are operating under the state bank laws, and that sixteen other national banks have applied for state charters. This is conclusive proof that the Oklahoma law is a success.

A national charter is supposed to have some advantage over a state charter and the benefits of the guaranty law must be admitted, when twenty national banks will in a short time change from the national system to the state system in order to give their depositors the advantages furnished by the guaranty system.

Since the preparation of my speech on this subject the Republicans of Kansas have held a convention and adopted a state platform. The plank on the guaranty of banks is a recognition of the necessity for security, but the plank is so void as to be practically useless so far as the protection of the people is concerned. The Republicans propose to enable the state banks to "mutually and voluntarily" guarantee deposits. But that is not enough. Suppose that the banks mutually agreed not to do it. Must tne depositor be left unsecured?

TRUST COMPANIES SHOULD PAY THEIR CHECKS THROUGH A CENTRAL OFFICE.

IN a letter addressed to the New York Times, James C. Hallock of Brooklyn, N. Y., outlines a plan that he says would benefit both banks and trust companies to a marked degree. The letter is as follows:

A very simple improvement would place trust companies on the same footing as banks. At present all New York banks are either members of the clearing-house or clear through members. No trust company is a member and only two (Manhattan and Van Norden) clear through members. There results a banking absurdity which should be committed no longer.

City banks settle with other banks through a special office known as the "Clearing House." New York trust companies (excepting two) settle at their counters with city banks and with each other. They have no special office or clearing-house where checks on them are presented and paid. The checks on each trust company have to be carried to it wherever located, uptown or downtown. Thus banks having the checks to collect are required to run on the trust companies daily all over the city. This is absurd.

During the panic of 1907 it was a matter of public comment that in every run on a trust company bank messengers were in line with checks, demanding payment like scared depositors. One messenger once presented some million dollars of checks for payment over the counter. He was not running on the trust company in any bad sense, but simply going to the only place it provided for the acceptance and payment of the checks.

In 1904 I tried for several months to have trust companies act like banks. I urged them to open a common room or office in or near Wall Street, where items on them could be presented at a designated hour of the day, and where each bank messenger presenting items would later receive payment in a single draft for all items not returned. There would then be but one delivery and one settlement daily for each bank, as at the clearing-house. There would also be but one delivery daily to each trust company through the office and one settlement with its manager. There would be no running of bank messengers with checks to thirty or forty trust companies, no drawing of thirty or forty checks by any company to give the messengers in settlement. All this business would be conducted through the central office in the most approved manner.

New York banks and trust companies generally would be pleased to have trust companies pay their checks through or after the manner of a clearing-house. The ex-

traordinary growth of trust companies demands this improvement.

In 1904 the well-known president of a large trust company said to me: "The banks do the running." Yes; but in 1907 they also did the running, with others, when it would have looked better not to see their messengers in the line. Trust companies are too much like banks not to comply with the custom of city banks and either clear their checks through the clearing-house or its members, as two of them do, or provide for the presentation and payment of the checks at some central place, as proposed by me.

PRACTICAL GUARANTY OF DEPOSITS.

NEW YORK JOURNAL OF COMMERCE: The Fowler bill of the last session of Congress provided for a guarantee fund against loss by failure of banks, which would include deposits as well as notes; but an essential feature of that measure was a complete change in the system of administering and supervising banks, which would give the "sound and conservative bankers" control and make "reckless, speculative and dishonest men" in control of banks impossible. There were to be a sufficient number of redemption districts, each of which was to be administered by a board chosen by the banks of that district, with a supervision and power of examination that could be made thoroughly effective. This was an essential part of that measure with reference to its different purposes, to which too little attention was given, and it might have made a plan of guaranteeing deposits both safely and economically.

* * * *

Some such plan of district organization and supervision and of responsibility of banks associated together and clothed with power of examination would be necessary to the safety of the guarantee system, as well as to the security of the credit note circulation. It would result in greatly strengthening the whole national bank system by making the weak and badly managed bank a rare thing, if not an impossibility. If, for instance, New York and the territory adjacent to it constituted a redemption district with an organized board of management, chosen by the banks and having the power of examination and supervision, could it not make banking sounder and safer, and the reckless management of national banks practically out of the question? Might it not make a guarantee of the deposits of any bank in the district practicable and beneficial? This may be an open question, a debatable question, but it is not to be easily thrust aside by those who are just beginning to think about it, though the guarantee of deposits to be a safe and successful policy must constitute part of a comprehensive system of reform.

DEPOSIT GUARANTY UNNECESSARY.

BOSTON TRANSCRIPT: Congressmen and others will be interested to note that although thirteen banks and trust companies closed their doors in consequence of the October panic, not one of the 51,000 depositors will lose a dollar. Some of these institutions had been wickedly mismanaged, but in every case the men responsible have been expelled, some indicted and some have committed suicide. It hardly looks in these circumstances as if we needed Federal guarantee of national bank deposits. If that were provided, as the Democrats propose, one great agency for holding bank officers up to a proper sense of individual responsibility for the safe and proper conduct of their institutions would be removed.

REAL CURRENCY REFORM.

NEW YORK JOURNAL OF COMMERCE: It behooves those who believe in real currency reform and know what it means to place no faith whatever in this Aldrich Commission. It contains a few members who are in sympathy with them, but these will be a helpless minority during the investigations, and the most they will be able to do is to present a dissenting report. If anything is really to be done for the education of the public mind on the subject, it will have to be done independently of this commission by representatives of the commercial and financial interests of the country, working through agencies of their own. They might have a commission, made up in part at least of experts on the subject, which would work for real reform and possibly defeat the purpose of Aldrich and his accomplices, which is to prevent reform based upon sound principles of bank circulation.

BANKING CONDITIONS.

CLARK WILLIAMS, Superintendent of Banks, in commenting on the rapid recovery from the financial disturbance of last fall, says:

The full significance of the improvement that has taken place in banking is brought out by the fact that of the thirteen institutions that were in trouble during the latter part of the year, not fewer than eleven have been able to reopen.

This record speaks for itself. Remarkable progress has been made by the various banks and trust companies that became temporarily embarrassed, and the position to-day is a striking commentary upon the recuperative powers of American banking institutions.

LATIN AMERICA

IN the century that has passed, the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.—*Theodore Roosevelt.*

FOREIGN CAPITAL IN BRAZIL.

THE manner in which Brazil is dependent upon foreign capital for its present financial position is indicated in connection with foreign enterprises authorized by the Brazilian Government. President Penna in his annual message to the Brazilian Congress reported that the number of such enterprises authorized during last year to operate in the country were 23, capitalized at about $100,000,000. While it is probable that a considerable part of this capital has not been realized, about $22,000,000 gold came to Brazil last year for its financial operations in spite of the fact that the country's interest and similar charges abroad were greater than the excess of its exports over its imports, with a sum of about $15,000,000 borrowed by the Government added to it. The importation of foreign capital for new enterprises is one of the strongest factors in Brazil's present-day finance. While the actual sum of money imported from the United States for such enterprises in Brazil last year was not large, the sum imported for enterprises under American control and ownership was very large, and forms a continuing and increasing commercial bond between the two countries which is likely to be of extreme practical importance in the development of American trade in this country.

BANK RATES IN COLOMBIA.

CONSUL-GENERAL JAY WHITE, of Bogota, furnishes the following concerning banking usages and charges in Colombia:

Six months is the approximate length of time granted before bills are due. Legally, extension is forbidden in the payment of drafts in Colombia. If, however, the creditor is willing, extension is granted for an indefinite time, that is, payment is requested, as usual, of the drawee at his earliest convenience, and interest charged. The usual discount for cash is six per cent. The banks in Colombia are accustomed to charge a premium of fifty cents gold for any draft which does not amount to $5 gold.

As a general rule foreign firms charge six per cent. per annum interest on accounts past due for merchandise sold in Colombia.

The present general bank rates of interest on loans (gold) is one per cent. per month; on paper-currency loans it is somewhat higher.

GENERAL NOTES.

—Hon. Irving B. Dudley, Ambassador Extraordinary and Plenipotentiary from the United States to Brazil, was born at Jefferson, Ohio, 1861, and received his education from the schools of his native state and in Milwaukee, and afterwards earned the degrees of LL.B. and LL.M. from George Washington University at the national capital. He began his diplomatic duties by an appointment from President McKinley in 1897, as minister to Peru. He was raised to the rank of ambassador in 1906 and transferred to Brazil, where he is now serving.

—In the development of the progress of peace as an aid to economic progress, the Republic of Mexico has promulgated a treaty of arbitration concluded with the United States and becoming effective from June 25, 1908. With Honduras, a treaty of friendship, commerce, and navigation has received the signature of President Davila for the maintenance of friendly relations between the two republics. The banking law of June 19, 1908, modifies in some important particulars that previously existing for the regulation of financial conditions, while the new mining law under con-

sideration by the Government contain certain provisions which have led to its temporary withholding from promulgation. Certain customs modifications, becoming effective from July 1 and August 16, alter the rates on tobacco, steel and iron, building materials, clothing, and carriages, while the budget law provides for export duties to be levied on grass fodder, chicle, guayule, hemp fibre or sisal, raw hides and skins.

—In accordance with the decree of the Mexican Executive, from July 1, 1908, the following schedule is operative throughout the Republic for the relative valuation of Mexican coins and those of countries on a silver basis. The equivalents are available for statistical work only:

Country.	Coins.	Values in Mexican currency.
Bolivia	Boliviano	0.83
Guatemala	Peso	.83
Salvador	"	.83
Honduras	"	.83
Nicaragua	"	.83
Persia	Kran	.152
China	Tael	1.4403

—The Bank of Coahuila publishes official advice to the effect that a general meeting of that institution was held July 1 and that a dividend of five per cent. was declared from September 15, against coupon No. 21, payable at the principal offices.

—A cable from Buenos Ayres says that the Argentine Government has definitely sanctioned the law authorizing the National Hypothecary Bank to increase the capital in cedulas from $130,000,000 paper to $160,000,000 paper.

The Government has also presented a bill to Congress authorizing an outlay of $6,000,000 paper for the purpose of the extinction of locusts in case of invasion.

BANKING COMMISSION OF GERMANY.

THE German Government decided some time ago to appoint a banking commission, and the first sitting was held on May 1. The commission is composed of twenty-three members, representing various interests, and including practical bankers and economists. The inquiry is likely to last several months, for a large number of persons will be invited to express their views. The attacks made by the Agrarian (agricultural) party on the Imperial Bank of Germany are to be investigated. One question to be raised is, whether the limit of the untaxed note circulation of the bank should not be raised. Another is whether the bank should not keep in its portfolios a large number of foreign bills (obtained by discounting) so that its power to attract gold when desired might be augmented. The suggestion that a duty should be placed on the export of gold is to be considered, but it is stated that there is not the remotest possibility of the German Government adopting so unsound a measure. The general banking system of the country will also be discussed. The outcome of the labors of the commission will be awaited with interest.

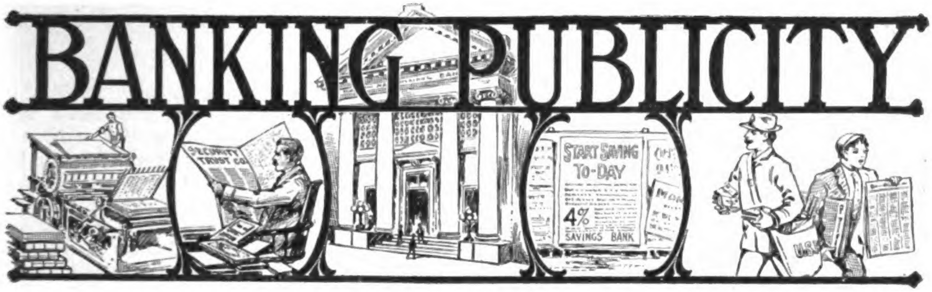
A CAUTIOUS SENATOR.

REGARDING the late Senator Allison the New York "Evening Post" tells this story:

Everybody has heard the Allison sheep story. It is characteristic if untrue. Mr. Allison and a friend were sitting at a window when a drove of sheep came along the road. They had been freshly sheared. Mr. Allison's friend said: "Senator, they have cut the wool pretty close on those sheep, haven't they?" Senator Allison regarded the passing animals a long time with the closest scrutiny and then said reluctantly, "It appears so—from this side." He never would commit himself until after the closest investigation.

BANK NOTE CIRCULATION.

COMPILED statements made public Sept. 1 by the Comptroller of the Currency show a rather unusual situation in the national banking circulation. The total of notes now outstanding is $685,326,108, as against $692,088,991 on July 31, 1908. A reduction of only $6,762,883 in the total volume of outstanding notes thus occurred during the month of August, while on August 31, 1907, the total of circulation was $604,056,321, so that within a year there has been an actual growth in the notes nominally in circulation amounting to $81,269,787. Only $6,710,832 was, however, issued as new notes to banks during the month of August. The fiscal statement shows that of the total of bank notes outstanding $54,692,308 are held in the general fund of the Treasury among the assets of the department. This implies that the difficulty of securing the redemption of this redundant currency from the banks which issued it is still about as great as ever owing, apparently, to the lack of clerical and other assistance in the department.



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

SYSTEM IN BANK ADVERTISING.

By Harvey A. Blodgett Minneapolis.

IT has been said that every work, either of nature or art, is the product of a system. Mankind has learned that any work in order to avail, must conform to certain laws.

Nothing *happens* in this world. The banker or merchant succeeds in his enterprises only when he obeys the inexorable laws which have been laid down for him. Trace any success to its source, and you will follow a dominating system every step of the way.

When we speak of our "Banking System," we bear witness that the business of banking is carried on under rules and usages bearing certain relations to one another, which, assembled in order, form a concrete system.

The banker must be prepared to give an account of his stewardship at any moment. There is no line of business where system is more of a necessity than in the bank. Every night the books are balanced, and it is known just where the affairs of the institution stand. Guesswork has no place in the keeping of a bank's records.

A man comes to the bank for a loan. Before it is granted the cashier is informed as to the applicant's character, responsibility and general worthiness. Accommodation is not given because the would-be borrower tells a plausible story, has influential friends, or needs the money. The security must be above question. Here again guesswork gives way to system.

Guesswork and lack of system hold full sway in the advertising department of many a bank. To how few bankers has it occurred that there can be such a thing as system in the expenditure of that most important factor in promoting business, the advertising appropriation.

Hundreds of millions of impotent, hoarded dollars will contribute to industrial activity when the banks of this country administer their advertising appropriations as wisely and as systematically as they conduct the other routine of their business.

To-morrow morning hundreds of banks will be visited by energetic salesmen exploiting one kind or another of bank advertising. To-morrow night hundreds of bankers will have contracted for advertising which to-day they have no thought of buying.

Few of these salesmen will find bankers waiting for them, and most of them will book their orders only after a preliminary battle of wits.

In many cases the advertising bought will bear no reciprocal relation to that which has been used before, or which will be bought under similar circumstances six months hence. Thus will be sacrificed the cumulative force which would result from systematic effort.

It is safe to say that most of these purchases would not be made at all if the bankers were not approached by the salesmen, infected with their enthusiasm, and swayed by the plausibility of their arguments. Every banker has heard the siren song, and has had held up before his eyes visions of people trooping bank-ward with their hoards in socks and baking powder cans, coaxed from hiding by the gift of a pretty or useful thing, with the bank's name on it.

Advertising Analysis.

It is because so much money has been spent upon advertising ventures with so little tangible returns, that the banker shies at the very word "advertising." Although

accustomed to analyze business propositions of all sorts, the average banker fails to properly analyze the probable effect of many of the advertising schemes with which he is tempted.

There is a simple test which the banker should rigidly apply to every proposed expenditure. It is this: "Will this thing suggest to possible clients any benefits *they* will enjoy from doing business at this bank; will it inform people of the services it has to sell, to which some are indifferent and of which many are ignorant; will it convince people that this bank earnestly desires to be their sympathetic, personal ally? Will it inspire the desire to save, or does it explain how to establish a credit? If it will accomplish none of these results, or any equally vital, why is it a good investment?"

My plea is for a system in bank advertising, which will not only go a long way toward the elimination of waste, but will produce gratifying results in the way of increased business and profits for the banker, and greater confidence in him. Every dollar expended for advertising, under a correct system, will remain a permanent asset.

Advertising is a constructive force. Just as a mechanical engineer draws upon paper the various parts of a machine and figures its weights and measurements before a casting is made, and just as the function of each part of the machine is determined in advance of its construction, so should every integral part of a bank's advertising campaign be planned and considered with a view to constructing an efficient and effective entirety, before the first dollar is expended upon it.

General Publicity Not Enough.

In planning a systematic advertising campaign, first dismiss the thought that the aim of advertising is just to keep your name before the public. A mere name, however prominently displayed, suggests nothing to the average person. Do we not pass the same signs day after day without being impressed by them? When we consult a utility which is the gift of an enterprising advertiser, how often do we give the name upon it even a fleeting thought?

When a banker calls upon a prospective patron for the purpose of inducing him to open an account, is he content to mention in a stiff and impersonal way the name of the bank, its resources, and the personnel of its management, and let it go at that? No, he eagerly grasps the opportunity for a heart to heart talk, telling his prospect what relation the bank's resources bear to the safety of its depositors, and what privileges and conveniences are enjoyed by having a checking account. He lays stress on the bank's willingness and ability to grant accommodation in time of need, and waxes eloquent in explaining the many advantages of a business connection with his institution. He considers that he is scattering seeds of kindness when he inspires the desire to save and get ahead in the world. He presents the bank's case in a systematic way. His first interview being without result, he hopes that at least he has set his man to thinking, and avails himself of subsequent opportunities to clinch his arguments. The banker who conducts his advertising campaign upon the same theory, has his hands full taking care of new business.

An Educational Campaign.

No more than the student can absorb the contents of a text book by reading its title, can the layman comprehend all the benefits of a banking connection by reading the bank's business card. Successful bank advertising is a matter of systematic education. The bank must do the teaching. The lessons must be short and interesting, in order to attract attention and hold it. System must govern, for every successful undertaking is the product of system.

Map out a year's campaign in advance, making it a series of advertisements each instalment of which will present interestingly some feature of the bank's services. Let one argument follow another in logical order. Do not expect a single advertisement to bring immediate and direct returns sufficient to repay its cost. Skillful advertisers rely upon the cumulative results of their work, knowing that little by little their arguments find lodgement in the public mind, a tiny impression now being augmented by another later on.

Whether the medium is to be the public press or the more personal method of letters and printed literature, the successful campaign should be plannd as a whole, and systematically followed to a logical conclusion.

No. 204

BALTIMORE, MD.

HOME BANKS INCREASE DEPOSITS.

The Advertising and Thrift Developing Value of These Devices.

By Hosea Mann, Cashier of the Torrington National Bank, Torrington, Conn.

INTRODUCTORY NOTE.—The author of this article has had experience in the matter of which he writes and is himself the inventor of a home calendar safe. He has written this article at our request as we consider he is in a good position to throw light on a subject which we know is of a great deal of interest to savings institutions.

HOW to secure more deposits is the problem constantly before every progressive banker. Will he go after them or wait at the bank without effort expecting the deposits to come? While the old-time banker believed the proper and dignified way was to sit in his office awaiting the knock of the depositor, to-day's young banker starts a new bank under the nose of dignity and unless Rip Van Winkle awakes and adopts methods similar to those of his hustling competitor he is soon outdistanced.

How to advertise a bank in a dignified manner and at the same time get at the people directly is answered by many ingenious advertisers and new plans of more or less value are constantly being devised. One of the most effective aids is the small home bank or safe.

About fifteen years ago a bright Yankee, who probably was inspired by one of the old iron coin banks among the playthings of his boyhood, made some small coin banks and offered them to savings banks to use among their depositors. The idea met with favor from depositors, and soon a large number was put out.

The plan was for the savings bank to loan these small banks to depositors upon an initial deposit of one dollar or more as security. The bank kept the key so that depositors could not get the money out of the small bank without bringing it to the savings bank which loaned it and had the only key. There it would be unlocked by the bank officials and the contents counted and credited to the account of the depositor, who would take the empty bank home to refill. The small bank was placed as demand was created, at the teller's window, by circular or by newspaper advertisement. Later the manufacturers of the small home bank put this proposition to the banker: "We will secure depositors for you at so much a depositor (generally about $3 each) giving you a new bank to loan such depositors." The manufacturer organized an energetic corps of men under a general manager and was ready to contract to get 1,000, 5,000, 10,000 or more depositors, according to size of town and adjacent territory and the money the bank was willing to invest for such services. Many incompetent and cheap men were employed for this work. Banks were placed with everybody who would take them, no matter whether the recipients were likely to be of any value as depositors or not, and while many very desirable accounts were secured, the plan did not prove satisfac-

Combining Calendar and Safe.

tory and prejudiced many banks against the use in any way of the small bank. Better men were afterwards employed and greater care taken in securing depositors and much better results obtained. Banks which placed the small bank over the counter or through local canvassers known to be reliable, found a good field for their use and were generally satisfied with results.

Encouraging Saving.

The small home bank business has grown rapidly and there are now several manufacturers of different varieties of such banks. Probably more than half of the

banks in the United States that have savings departments are using some kind of a small home bank. While the kind of a bank used and method of handling has much to do with its effectiveness, it has been fully demonstrated that the use of even the cheapest and most unattractive and inconvenient variety is very helpful in encouraging savings and increasing deposits. It is no unusual thing to find savings banks, trust companies and national

Padlocked to the Wall.

banks with savings departments having from 15,000 to 25,000 in use. A trust company in Chicago has over 30,000 small banks in use, and a large trust company in another large city is said to have recently contracted for 100,000 home banks or safes.

While the majority of the small banks have been made for home use, recently quite a number of "pocket banks" have been put out, from which good results are claimed in the way of initial advertising. These are only useful for men and boys and the fact that most men have their pockets filled with other things anyway and also the fact that the bank becomes quite heavy as it is filled with coin, weighing down overburdened pockets, causes the depositor to soon tire of this style of bank.

To encourage systematic saving numerous devices have been attached to the home banks, the principal of which are recording devices of various kinds, by means of which depositors may have an accurate record of what may at any time be in the bank. This kind of banks must necessarily be limited to coins of special denominations. Whether depositors take more interest in keeping a daily "tab' on the deposit, or in surprising themselves with the unknown contents of the bank when opened up, which by the way are said to usually exceed the depositor's expectations, is a question of argument among the different bank manufacturers.

Among the curiosities in home banks is a clock bank which requires the insertion of a dime each day before it can be wound. While this requires the saving of ten cents each day it will not allow any more, and many in use might require a bank to keep a clock repairer in constant attendance.

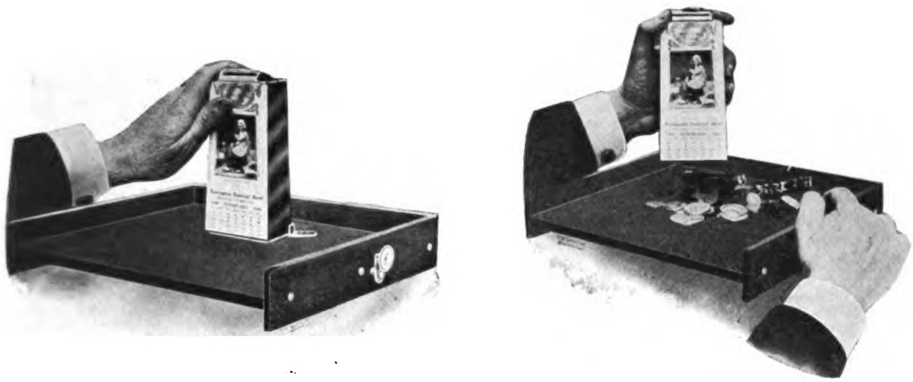
The Calendar Safe.

As large sums of money are often accumulated by use of these home banks it would seem that the bank which takes in all coins from a cent to a silver dollar, and also has a place for bills would be the most useful.

The latest invention in small home banks is called the Calendar Safe and is the idea of a practical banker. It was invented after extensive examination of small banks in use, none of which met his ideas of what such a bank should be.

By making the bank in the shape of a small pyramid, a small calendar card can be attached, so that a handsome combination of safe and calendar is the result. The safe thus becomes the holder of attractive announcements advertising the bank that gives it out—a standing advertisement in every home where placed. The plan of having a handsome calendar card for each month of the year creates a novel "follow-up" system in which the depositor does the "following up" by bringing in the safe every month to have the contents credited, and to get a new card for the following month. This is intended to overcome the principal objection to home safes, which is the forgetfulness of depositors about bringing them in. Of course, if the depositor brings in the safe each month, he makes sure to have some savings in it, consequently he is thus induced to save more, and the bank gets larger deposits. He keeps in close touch with the bank and takes a new message home each month.

Another invention which goes with this safe, also decidedly novel, is a tray upon which to handle the safe and count its contents when brought to the bank by the depositor. A key pointing upward, and controlled by a lever at the side, is in the centre of the tray, and the bank, by means of guides also extending from the tray, can be immediately placed over the key, when by a slight movement of the lever the lock releases the bottom of the safe which remains upon the tray as the top is lifted off. As the bottom is larger than the top the contents of the safe all drop upon the tray, and when counted the safe is replaced over the bottom and a reverse movement of the lever locks the safe ready to be returned to depositor. The annoyance and loss of time in taking a key—not always at hand—and holding safe in hands to unlock, and struggling quite often with a rusty lock, with the coins rolling everywhere, if they can be gotten out at all, when the safe is once opened, is completely done away with by this patent tray, and removes another serious objection to the general use of the small safe. A hanger and padlock is also provided so that the safe can be locked to the side of house or desk, as a protection against sneak thieves and meddlers, the depositor, of course, keeping the key to the padlock, while the bank only can unlock the safe.



Showing Method of Opening the Home Safe at the Bank.

Results Are Surprising.

The amount saved through the use of these small safes is surprising, not only to the banker who takes pleasure in seeing his deposits increase, but the depositor himself is surprised. In general it is said that more comes out of these small safes than the depositor anticipated and he is thus greatly encouraged to continue saving until the habit is thoroughly formed and he finds more pleasure in saving than in reckless spending.

The cashier of a national bank in a town of about 3,000 inhabitants in the state of New York, who advertised a new savings department by putting out 1,200 small safes, told the writer that while he had only been using the safes since the first of last March they had taken in and there was standing to the credit of them that day (July 13) $116,000.

Many times, more comes to the bank indirectly through the agency of the small safe than directly, for if anyone in the house where there is one of these safes has a few hundred dollars come in unexpectedly or otherwise, he is pretty sure to think of the bank that loaned the small safe and add this to that account or start another account there.

The treasurer of one of the largest savings banks in Connecticut relates this incident in his own experience. He knew a hard-working man, who didn't seem able to save a cent. The banker got him to take a small safe and the man immediately got interested in saving and within a very short time had enough saved to buy a home for himself and his family.

A parent who gave his little girl all the ten cent pieces he brought home in his pocket, told the writer that she put them in a small safe she had and saved $2,800.

As the home safes besides taking all sizes of coins, have a place for bills, quite a large sum can be put in them. Many banks report taking from $50 to $100 from single safes at one time.

They are very handy for the accommodation of funds for different purposes. For instance, a gentleman acquaintance of the writer has three home safes of different makes on his desk, each devoted to a special fund.

Even if no effort is made to put them out

a demand will develop in a community where they have been used and their value is understood. A Pennsylvania savings bank which began using small banks about twelve years ago and has out from 15,000 to 20,000 is placing from 1,200 to 1,500 per year in response to calls at the counter.

Some banks require an initial deposit when placing safes of from twenty-five cents to one dollar which is not allowed to be withdrawn until the account is closed and the small safe surrendered. Other banks use greater discretion in placing and require no guarantee deposit.

Good For New Banks.

For quickly and effectively advertising a new bank the small safe cannot be equalled. It puts the bank in direct touch with the people, and gives the bank an opportunity to reach and talk with the depositor and explain the advantages it can offer, either through canvassers or by letter calling attention to the fact that a home safe will be loaned depositor if he or she will indicate a desire for one, either by calling at the bank or asking to have it sent.

A prejudice has developed in the minds of some banking men against the use of the small home bank because of some very cheap and inferior banks having been put out by careless manufacturers, which have occasioned no end of trouble in handling, especially in locking and unlocking and counting contents. The writer called the attention of a banker who had long used the small bank to this prejudice and he said: "Yes, many are so made that they are a decided nuisance to handle and I don't blame the boys in the bank for kicking, but even those inferior banks do bring the business."

Some years ago a bank in a large Southern city paid $25,000 to have 10,000 small home banks placed. Most of these banks have now been surrendered and because of unsatisfactory working were not put out again, but are now in the junk heap in the basement of that bank; however the officers of that bank say that the money brought to the bank through the first advertising done, made the investment a very profitable one. Bankers are paying more attention now to the construction and durability of banks offered.

A home bank or safe, well made of substantial steel material with a good lock, is practically indestructible and will do service for the bank that puts it out for many years, and can properly be inventoried as part of the bank's furniture.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted for Comment.

IT'S only a step from the sublime to the ridiculous. We wonder if it has not been taken in this card that has drifted onto our desk:

Forget Your Wrongs.

In the very depths of yourself dig a grave. Let it be like some forgotten spot to which no path leads; and there, in the eternal silence, bury the wrongs you have suffered. Your heart will feel as if a weight had fallen from it, and a divine peace will come to abide with you. Keep your account in the Citizens National Bank of Blankville and you will be happy.

Some time ago up in Canada they were having a discussion about the duty on pulpwood and the effect on the cost of paper for newspapers. Somebody got up to say "What we need in our papers is more brains and less pulp." That same thing can be said truthfully of a good deal of present-day bank advertising.

The South Side Bank is losing money every day it runs advertising like the sample reproduced when it could do some virile, effective advertising in the same space. Even as it stands, the picture is not true to life as our observation, not to say experience, is that the young woman usually

Stop This Leak!

assists more actively in the loss of the money than this particular charmer is represented as doing—candy, soda, dinner, theatre, etc.

That "Invest" ad. is a pretty poor pun and a pretty poor appeal for business. The cut would do for a clothing ad. maybe, and the most charitable view to take of the

Only after careful and thoughtful consideration; and exercise the same care and caution in selecting a place of deposit for your savings. Choose an old, strong and conservative institution like

The Louisville Trust Company

whose Officers and Directors are successful business men and [illegible] management is of the best. Its numerous patrons attest the fact that its Fire and Burglar-proof Vaults are the Largest, Strongest and most desirable in the city.

SOUTHWEST CORNER FIFTH AND MARKET.

A Poor Pun.

matter is that this cut has wandered into the Louisville Trust Company's ad. by mistake from a neighboring clothing store ad.

Here's another waste of space:

An Old Maid.

Once there was an old maid who said that she did not need a husband. She had a parrot that swore, a monkey that chewed tobacco and a cat that went out nights. But the Old Maid needed a bank and YOU need one.

Try The Old Reliable
FIRST NATIONAL BANK
of Crookston.
U. S. Depositary.

You can't joke people into your bank.

We think this is humor gone wrong, too:

"Hard Times" Philosophy.

Keep your liver in good order, your feet warm and don't sit in a draught.

If you have a few dollars to rattle together, rattle them while you can and get the fun out of them.

If you have any bills to pay, pay them if you can. If you can't, take the other side of the street until the stringency is over.

While you are loafing around don't talk about appendicitis, rheumatism and the suffering in large cities, or the increase in crime and pneumonia, but tell a new Pat McCarrick story. Tell it to your wife, tell it to the dog, tell it to everybody. Make a warm place about you.

If you don't dress as well during hard times as you have been accustomed to, put a little more shine on your shoes and wash your neck oftener, and you'll look just as good.

A little hard times is a mighty good thing. It's a great educator. You read more, think more. You read everything and soon acquire a flow of language on current topics like a barber.

You may have to pull through on a light pay roll with your pants deckle-edged and seat cut in strange geometrical figures and the rest of your wardrobe a little frizzled and frayed. Yet you'll come out full of hominy, orleans molasses and the simple life, free from fatty degeneration and gout.

Let's get all the fun out of the dull period we can. Let us learn more, love more, live more. For we may never have the privilege of enjoying hard times again.

After the storm is over don't forget that resolution for opening a Savings Account in
BLANK SAVINGS BANK.

We recently received the following letter:

I have read your "Pushing Your Business" by T. D. MacGregor several times and am greatly pleased with the many and various suggestions contained therein. In fact, I consider it the best little book on advertising that I have had in my hands in many a day. Such reading is suggestive to many original ideas of one's own, besides giving the reader many points at first hand.

I enclose a small booklet which I had printed several months ago and which I am anxious to receive criticisms on before I send out. If it is not asking too much would you kindly advise me briefly as to what suggestions you have to improve upon it? The part I wish passed upon is the cover, Pages 3, 4, 5, 6, and part of Page 7.

Anything you can suggest to make future issues better will certainly be greatly appreciated and for any such suggestions we beg to thank you in advance.

Respectfully yours,
GEO. H. WISE. Treas.
Bangor Trust Co.,
Bangor, Pa.

Our criticism of the booklet, which advertises a bank money order and savings certificate, was as follows:

There is too much printed matter on the cover of the booklet. It would be much stronger and more effective from an advertising standpoint if you had about one-fourth as much matter on the cover and had some of it stand out very prominently. A better idea would be to have nothing on the cover but some such title as "Be Your Own Banker," "A Boom to Savers" or "Four Per Cent. Interest." This would add an element of mystery or something to excite the curiosity of the person into whose hands the book comes. You will find upon observation that this is the practice of all concerns which advertise in a large way. Page 3 is all right but it would be strengthened by the use of some figures to show your financial responsibility.

In regard to the title, "To the Depositor" at the head of the reading matter, a better one might have been chosen as undoubtedly this book falls into the hands of a great many persons who are not depositors but whom you would be glad to secure as such. The second paragraph on page 6 beginning, "Which is the better, etc.," would be a much better opening paragraph than the one you have used. The chances are that the person picking up your booklet for the first time is "not interested in an institution started independently, etc." It is your duty and privilege to interest him by the argument which you present to him, so that such a query would be more appropriate at the end of your booklet rather than at the beginning.

Several places through the book you say, "We think." It is much better to be positive in your statements and say "We know" or "We feel sure." That is one of the fundamental things in argumentation and is based on the fact that confidence begets confidence, and it is also much more enthusiastic to show that you believe in what you are saying and you will find that such enthusiasm is contagious. In the 5th line from the top on the 5th page, there is un-

doubtedly a typographical error as you evidently intended to use the word "Remunerate" instead of "Renumerate." About the middle of the second paragraph on page 5, you state that "Not more than one-fifth of such investments would be affected." Where is the proof of this statement? It would be better to give your reader some statistical or other proof of this statement. A little lower down, you say "We will amply secure the most pessimistic." In view of the fact that your security is no more effective for the optimistic than for the pessimistic depositor, we imagine that what you intended to say was that this security "will amply satisfy the most pessimistic." The third line from the bottom you say "We expect to maintain a reserve, etc." Your future expectations do not form a very good basis upon which to ask the confidence of depositors to-day. It would be much better to say, "For many years, we have maintained a reserve above the legal requirements, etc."

On the whole, your argument, as presented, is not a bad one, but we feel sure that changes along the lines we have indicated will strengthen your booklet materially.

A cut illustrating just what this certificate is like would be a good thing, as, on general principles, it is always much better to have illustrations in advertising matter as it gives the mind something concrete around which to build its conception of the thing which is being advertised.

Here's Mary again. But she has a purse this time instead of a lamb. Ought we not to expect a more polished piece of poetic literature from a place bearing the classic name of Boston? We think Mary limps a little on her feet. What makes this bank love Mary so, anyway?

Pegasus seems to be a favorite steed in Georgia. For another budding poet is wooing the muse from the pastoral shades of Sylvania. There isn't much rhyme or reason to this ballad, but there is rhythm and we can shut our eyes good and tight and see people waltzing right into the Citizens Bank to deposit their money.

We are patiently waiting for some poetic bank ad. man to come to the front with a parody on "Ye *Banks* and Braes o' Bonnie Doon."

IDEAS AND SUGGESTIONS.

THE following good thoughts to be incorporated in savings bank advertising have been furnished by C. L. Chamberlin of Osseo, Mich.:

A dollar saved is a working partner which never sleeps and is always adding to your store.

Don't let others get every cent of your hard-earned money. They will not keep you when you are ill or old.

The proper care of money is in no way better learned than by keeping a bank account.

Live in the present as though you were a little poorer than you are and if misfortune comes later you will be richer than you seem.

THE PROSPERITY OF MARY

Mary had a little purse—
That's the reason of this verse.
In that purse she had a penny;
She added to it till it was many;
Then deposited in the BOSTON BANK,
Using its deposit blanks.
NOW she's independent as can be,
Because she deposits with US. You see!

We Actually Remit for ALL Items on the Day Collected

BANK OF BOSTON
BOSTON, GEORGIA

Z. H. CLARK, President J. W. TAYLOR, Vice-President
M. M. STANALAND, Cashier

Capital $25,000.00

What Makes This Bank Love Mary So?

BEST BANK OF ALL!

By S. W. Rogers

ON BANKS OF EASE, WE FEEL THE BREEZE,
WHILE FLOWERS BLOOM AROUND
AND SCENT THE AIR WITH FRAGRANCE RARE
FROM EV'RY GRASSY MOUND:
BUT SOON THE BLAST, FROM SKIES O'ERCAST,
WITH MANY AN ANGRY TOKEN,
HAS SCATTERED FLOWERS IN WINTRY SHOWERS—
OUR MOSSY BANK IS BROKEN

ON RIVER BANKS IN SERRIED RANKS
COLUMNS OF WAVES ARE HURLED:
THOSE BANKS MUST BREAK, AS WATERS SHAKE
AND WHELM A DROWNING WORLD.
BUT HERE'S A BANK THAT WILL OUTRANK
THE BANKS OF MOSS OR RIVER.
OUR BANK WILL LAST THROUGH WILDEST BLAST—
THE CITIZENS BANK, FOREVER!

SYLVANIA, GEORGIA

The Ad. Poetic (?)

There is nothing that will establish you on a basis of sound credit so quickly as a bank account.

You can do without luxuries to-day and the money you save will buy necessities twenty years hence.

Whenever earning begins, saving should begin.

Do you wish to take a trip every summer during your vacation? Then begin now to place a few dollars in the bank every pay day. Next July when you feel "the call of the wild" stirring your blood you will be surprised at the amount to your credit.

If you keep your money in your pocket, you feel rich and want to spend it. If you have it in the bank, you won't spend it so fast, because you won't write a check for a small sum, and the chances are that you won't spent a large sum unless it's necessary.

The First National Bank of Boston in its foreign department has a bead slate for the convenience of its Chinese customers who use it to aid them in their mathematical calculations.

Studying the advertisements of general advertisers in the magazines and newspapers is a good thing for the bank man who has charge of his institution's advertising. Most large advertisers expect direct results from their advertising and you can make up your mind that they are going to use their space to the best advantage.

The Mellon National Bank of Pittsburg used a rather startling head on one of its recent ads. It was: "Motor Without Money." The popular conception is that it costs a good deal of money to motor so that the foregoing statement is bound to attract attention. The gist of the ad. is this:

Motor tourists often find it inconvenient to carry with them sufficient cash for a long tour.

Mellon cheques are as good as cash with the added advantage of being easily carried.

They can be cashed anywhere in this country or abroad.

They bear a specimen signature of the holder and are thus practically secured against use by a wrongful holder.

Some profound wisdom on the subject of good printing is expressed by Seymour Eaton in these words:

The average advertiser will shave off 15 cents a thousand on envelopes and a quarter of a cent a pound on paper and beat down the printer in price so that he is obliged to use a 30-cent ink and by various other economies get his material ready for $6 a thousand. He will then pay the government $20 for carrying his stingy, badly-printed, cheap-looking $6 worth of stuff and pat himself on the back for being economical.

In speaking of the calendar, the American Bank Note Company's "Imprint" says:

Its value to the advertiser becomes evident when the permanency of its influence is realized. Perhaps in no other equally inexpensive way can you keep your name so constantly before your customers. To accomplish its purpose a calendar must be unusually attractive. It must win for itself a place in the home or the office of the recipient or its advertising value is minimized.

Getting the subject for an ad. is often harder than the actual writing of it. Most ideas have already been expressed. The power to re-create is talent, or genius, as the case may be.

Our
Advanced
Method
of
Banking by Mail

while somewhat of an innovation in banking methods provides an absolutely safe and highly practical and convenient means of depositing both savings and surplus funds at

4 Per Cent Interest
Computed Quarterly

By this up-to-date plan beautifully engraved certificates are issued for the amount of the deposit. The certificates are self-identifying and payable on demand, not only at this bank, but at banks generally throughout the country, and an ingenious device automatically calculates the interest and includes it in the face of each certificate every three months.

Thus the certificates represent

Bank Money Orders
Payable Anywhere at Any Time
With Interest Added

By using these certificates you can keep your money on deposit in this bank at 4 per cent interest computed quarterly, and yet have it practically in your own possession in such form as to be available at an instant's notice.

Address Dept. A
For Full Information

Central Bank & Trust Corporation
Candler Building
Atlanta, Ga.

A Sensible Ad.

"Prudent Men Seek for Thrifty Women."

George O. Jenner says:

Don't overshadow the story your booklet tells with an unwise effort at cleverness. Advertising is a serious proposition. Don't send letters that carry a personal appeal, unless they at least have the ear-marks of being personal letters. Don't try to tell the whole story on the back of a mailing card—you won't succeed. Don't hesitate to put a two-cent stamp on a piece of good literature—it will command that much more attention. The right kinds of booklets, letters and other advertising literature will prove a tonic to your business. Enlist the services of a trained advertising man. Combine your knowledge of your business with his advertising experience—and the result cannot be other than satisfactory.

It is not a bad plan for a savings bank in its advertisements to suggest some definite ways of saving. For instance, the Union Savings Bank of Pittsburg says in one of its five-inch single column ads.:

A man who had been paying 50c for his luncheon cut the price to 25 cents and put the difference in this bank—saved $37.50 in six months—Not a bad scheme—Try it.

4% **INTEREST.**

When banks can get permission from the Y. M. C. A. in their community, it is a good idea to leave some attractive savings literature in the reading room of that organization for the benefit of the young men. The West Side Savings Bank of New York has done this at the Twenty-third Street Y. M. C. A.

MORE INTERESTING STATEMENTS.

How It Would Be Possible To Improve Them.

IN addressing the Bookkeepers' Beneficial Association of Philadelphia recently Duncan MacInnes, a certified public accountant, made some suggestions for improving the form of bank statements which are such a common feature of bank advertising.

Mr. Mac Innes said:

"These statements are framed along uni-

form lines, with very few exceptions, and the first liability invariably appears as the capital stock, followed immediately by the surplus, and next by the undivided profits, while the amounts due to the individual depositors are generally found way down on the list of liabilities as if such were more incidental than real, and, on the other hand, the resources are stated in such a manner as would require a segregation thereof by an expert accountant, and an arraying of them in opposition to liabilities of a like kind before any intelligent conception of the status of the institution could be arrived at."

Mr. MacInnes suggests a comparative classification as follows:

RESOURCES.

Specie.
Legal-tender notes.
Checks and other cash items.
Fractional paper currency, etc.

Exchanges for clearing house.
Notes of other national banks.
Due from approved reserve agents.

Due from national banks (not reserve agents).
Due from state banks and bankers.

Loans (collateral) (a)—demand—time.
Discounts (b).

Bonds (face value).
Securities, etc. (face value).
U. S. bonds to secure circulation.
U. S. bonds to secure U. S. deposits.
Other bonds to secure U. S. deposits.

Redemption fund with U. S. Treasurer (5 per cent. circ.)
Premiums on U. S. bonds.
Banking house, furniture and fixtures.

LIABILITIES.

Certified checks.
Demand certificates of deposit.
Individual deposits subject to check.
Cashier's checks outstanding.

Due to approved reserve agents.
Due to other national banks.
Due to state banks and bankers.
Due to trust companies and savings banks.

National bank notes outstanding.
U. S. deposits.
Bonds borrowed.
Capital stock paid in.
Surplus fund.
Undivided profits, less expenses and taxes paid.

One way to make a bank statement clear to the average reader is illustrated by the following, furnished us by A. G. Boal, cashier of the First National Bank of West Elizabeth, Pa.:

Condensed Report of the Condition of
The First National Bank of West Elizabeth,
Made to the Comptroller of the Currency
at the Close of Business, July 15, 1908.

RESOURCES.

Loans and Investments .... Includes bonds of boroughs, school districts and corporations and notes of individuals secured by endorsement or collateral. The interest received from these loans is the bank's chief source of income.	$179,759.67
U. S. Bonds and Premium....... Deposited with the Treasurer of the United States as security for the bank notes issued by this bank.	31,250.00
Real Estate and Banking House A lot facing on Fourth, Fifth and Lincoln streets, improved with a two-story brick bank building and a two-story frame house together with safes, vault and other necessary equipment for the banking business.	17,900.00
Due from Banks .... Part of our legal reserve on deposits is placed with reserve agents in New York, Pittsburg and Cincinnati. This facilitates the exchange of commodities from one part of the country to another.	16,942.19
Cash on Hand .... Gold and silver, Treasury notes, National Bank notes, gold and silver certificates and other money in the bank complete the reserve fund required by law.	13,501.62
Redemption Fund .... Five per cent. of the circulation of a National Bank must be deposited with the Treasurer of the United States to redeem notes issued by the bank.	1,500.00
Total	$260,853.48

LIABILITIES.

Capital Stock .... This is fully paid and unimpaired.	$50,000.00
Surplus and Undivided Profits... Representing the net earnings of the bank after paying salaries, taxes, dividends and all other expenses.	11,224.63
National Bank Notes .... Notes issued by this bank under the direction of the Comptroller of the Currency bearing the signatures of the president and cashier. Secured by bonds deposited with the Treasurer of the United States.	30,000.00
Unpaid Dividends .... Money due shareholders and payable immediately upon presentation of checks.	145.00
Deposits .... The largest liability of a bank. Checking deposits are repayable upon demand. Savings deposits are subject to withdrawal only after notice has been given. The officers and directors of this bank place every safeguard about the funds of depositors. Deposits rise and fall according to the business needs of the community.	169,483.85
Total	$260,853.48

A BANK ACCOUNT.

MR. C. HILDRETH, president of the Franklin (Neb.) State Bank and the Mason (Neb.) State Bank, has issued a circular which gives some good points about bank accounts. It is as follows:

Every man should carry a bank account. There are many reasons for it:

First.—It benefits his standing in the community. He comes to be looked upon as a man who has some surplus on hand to meet his bills and obligations. His credit and standing are thus raised in the community.

Second.—It enables him to be prepared for sickness or accident or other emergencies. These emergencies come to all of us.

Third.—To have the feeling every day and night that one has a little surplus, a small bank account, is a satisfaction and makes a man feel safe and comfortable every day of his life. Is this not worth something?

Fourth.—A bank account enables a man to pay his bills by check. The check stub is a record and the check is a receipt. It often saves paying a bill twice. By his checks or the bank's books a man can prove five or ten years from now the amount and date he made a payment.

Fifth.—Seldom does a business man in town think of paying a bill now except by check. He pays by check for two reasons, for convenience sake and for safety. The farmer is just as much a business man as the merchant and has the same need of this convenience and safety. If he pays a store bill, buys a hog or a horse of a neighbor, or gives his hired man his monthly wage, he writes his check. This check is a receipt.

Sixth.—The farmer should no more think of keeping money in his house to be stolen, or burned, or worried about when the family leaves home than the merchant would think of leaving money in his cheap safe which can easily be blown open by burglars any night.

Seventh.—Keeping a bank account encourages habits of saving and thrift both for the head of the house and for the family. The family grows up with the proper idea of accounts and an acquaintance with business methods. Then, also, if a man will deposit all his income through the year, and pay out by check, he will know at the end of the year the amount of crops and stock he has turned off or the amount of business he has done through the year. This will be doing his farming and his business affairs in a definite and intelligent way.

Carry a bank account, however small, through a portion of the year, thus making a close relation between you and the banker, and when you desire to borrow, the bank will feel like supplying you the money at a lower rate of interest. The bank will also then cheerfully carry you over the hard months and the hard years.

The bank appreciates small accounts. Do not carry the money around in your pocket, but put it in your deposit at the bank each day and check it out as needed. Men often carry money in their pockets without thinking of the benefit it would be to the bank. If 100 men who carry $20 each in their pockets would all keep this deposited and check as needed it would mean $2,000 additional deposits for the bank. There are many thousands of dollars today in the pockets and in the homes of our friends that would be of value to the bank and to the community if it were deposited in the banks and put into circulation in the community. Much of this idle money is not purposely withheld, but it is because these friends have never thought of the bank and community side of it.

AFRAID OF BEING YELLOW.

IT has been well said that some people are so very good that they leave to the devil most of the enjoyable things of life.

So also there are some bankers who are so conservative that they permit reckless speculators, tipsters and get-rich-quick schemers to get the advantage of courageous, aggressive methods of advertising.

Yellow advertising, like yellow journalism, is to be deplored, but some people are so afraid of being yellow that they become as black and depressing as a two-spot of spades held against a king of hearts.—*Wall Street Journal.*

BE NATURAL.

THERE isn't one advertisement in ten that has enough life in it to last a tadpole over night.

And yet when you stop to cast a hasty glance over the field you'll find that the most successful stories, and the most prosperous publications to-day are those which have catered most to the people's love of colloquial language.

You don't have to break all the rules of grammar—you don't have to say "ain't" when you mean "aren't" nor "don't" when "does not" is intended. But you can limber up a trifle.

Get close to your audience, whether you are writing an ad. or a letter. Make them think you are alive, and an actual person who thinks and feels about the same as they do.

Let the pedants fight over the question as to whether or not advertising is literature.

Come down on earth and put a hole through the balloon so you can't use it again.

If you want business—and that's what you are after—get next to the people and in words they can understand.—*The Silent Partner.*

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THE political campaign is giving occasion to many banks to do some special advertising. A popular plan is to make use of "stock" booklets, manuals and cards giving such political data as: The electoral and popular votes of the states; the party platforms; the biographies of the candidates, etc. Incidentally this printed matter carries advertising of the institution issuing it for gratuitous distribution. Among the institutions that have favored us with samples of this kind of publicity are the Merchants National Bank of St. Paul, Minn., and the Albany Trust Company of Albany, N. Y.

The First National Bank of Oakland, Cal., has issued a handsome cloth-covered book containing an interesting history of the institution, written by Russell Lowry. It is illustrated by interior and exterior views of the bank building, portraits of the officers, views of Oakland to-day and many years ago, etc. This directors of this bank are:

A. L. Stone, of E. B. and A. L. Stone, contractors; E. W. Runyon, capitalist; Wallace Everson, president of Pacific Surety Company; P. E. Bowles, president of First National Bank, president of American National Bank of San Francisco; L. C. Morehouse, vice-president of First National Bank, president of Bank of San Leandro; L. G. Burpee, vice-president of First National Bank; E. A. Heron, president of Oakland Traction Co.; W. H. Taylor, of Taylor & Co., wholesale lumber; H. C. Morris, capitalist.

The following figures from this booklet will show what has been accomplished by the bank since the beginning of 1893, or during the present administration:

Surplus and undivided profits at this time	$245,822.00
Surplus and undivided profits in 1893	29,664.00
Gain	$216,158.00
Paid in dividends during this period, at 6%	270,000.00
Charged to profit and loss assets actually worth	33,174.00
Net earnings in the 15 years.	$519,332.00
An average per year of	34,622.00
Or an average net income per annum of 11½%.	

A Pittsburgh Billboard.

Several Pittsburg banks have used billboard advertising with good results. The accompanying illustration shows the appearance of one of the billboards some time ago. The "copy" is attractive.

The Beliot (Wis.) Savings Bank uses this tale of woe in one of its newspaper ads., heading it "A Sad Story:"

> Recently, a hard-working man and his sister, of Chicago, had all their savings, amounting to $3,700, stolen, the money being hidden in their home because of fear of banks. Now an invalid mother must give up a trip to Florida and the whole future of this family is darkened.
>
> It pays to have confidence in a GOOD bank.
>
> A bank like this mutual institution represents the highest type of safety.
>
> Put your money here. Take no chances of loss by robbery.

This ought to scare 'em.

The Cosmopolitan Bank and Savings Company of Cincinnati, O., issued its July 1 statement with a cover bearing an embossed picture of an Indian on the war-

"As the Twig is Bent the Tree's Inclined."

path "hot foot" after more depositors. This bank gives away copies of good paintings to all new depositors, or to those who bring in new depositors.

The Dominion National Bank of Bristol, Va.-Tenn., H. E. Jones, president, is doing some progressive advertising with the assistance of a small syndicate house organ. It also publishes a good leaflet giving facts about the advantages of banking by mail with the Dominion National Bank, and a booklet on the value of a checking account, which is very much to the point. The Washington Trust and Savings Bank of the same place issues a strong leaflet, showing how well it pays to start a savings account for the children.

"The Boys of To-Day" is the title of an inspiring booklet of advice to parents and their boys, issued by the Industrial Savings and Loan Company, of New York. The booklet contains a great deal of wise counsel on the subject of thrift and ambition. Much of it is in the form of original letters from representative public men, educators and men of affairs. It ought to prove effective advertising. As part of a group we reproduce the advertisement the company is running in various publications as it illustrates the "send for booklet" idea, which is a good one for any bank to try once in a while.

The souvenir number of "The Croghan Commissary," house organ of the Croghan Bank and Savings Company of Fremont, O., is a fine piece of printing and is well arranged from an advertising standpoint. The illustration of the children in the bank, reproduced in this department, is from this booklet. This institution has recently entered a handsome new building.

The West Elizabeth (Pa.) "Thrift" is the name of a stock house organ used by the First National Bank of that place. A good point brought out in one of the ads. written by Cashier A. G. Boal, is this:

HELPING THE TOWN.

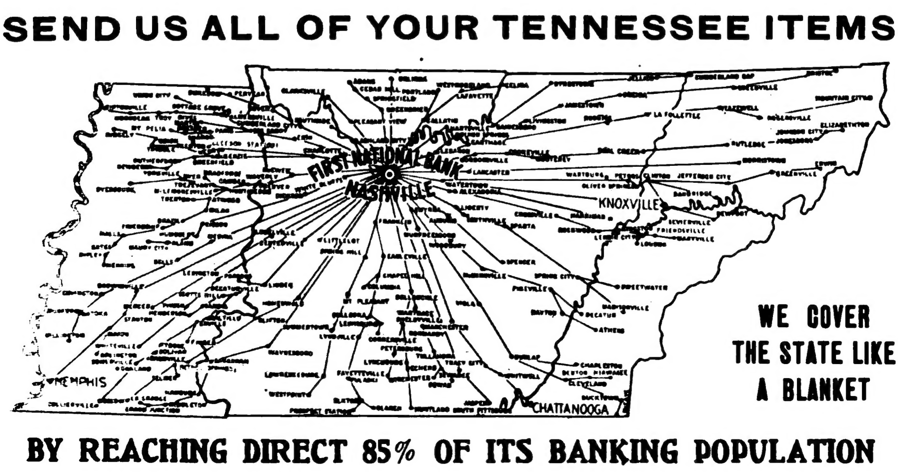
By banking your money in a bank in your own community, you increase the community's power to do business. If substantial farmers want to borrow money, there is more to lend them. If merchants need cash to discount bills, there is more to loan them. If manufacturers wish to increase their plants and give employment to more people, they can more easily secure needed funds at the home bank, when it is well patronized by home people. If you bank your money away from home, it is loaned to other farmers, merchants and manufacturers. Help your home people. Money hidden at home helps no one. Placed in a bank it is put to work in ways that help all.

THE FIRST NATIONAL BANK,
West Elizabeth, Pa.

This syndicate house organ idea is a good one for any bank, as it provides strong and interesting matter on bank matters in general and also gives opportunity for special local advertising. The way a hustling Oklahoma bank uses its local space in such a paper is shown by the following:

DON'T NEGLECT THE GROWING CROP.

Owing to the long continued wet weather, the farmers of Cleveland and Pottawatomie Counties are more or less behind with their work. In order to get their crops clean of



Effective Ad. of a Nashville Institution.

weeds and grass it will likely take more money than was expected for the season.

As success in farming depends largely on having plenty of help right at the time it is needed to keep the crop out of the weeds and thoroughly cultivated, we wish to make it known that we will take care of all the farmers until fall.

Don't neglect the growing crop! The Farmers National Bank always makes provisions for just such occasions, and it has money enough to care for all the farmers in Pottawatomie and Cleveland Counties.

Every dollar spent for extra labor now, means $10.00 in your pocket next fall. If you need a loan come and see us. We make farm loans, short loans, and any kind of a loan you want.

FARMERS NATIONAL BANK,
Lexington, Okla.

The National State Bank of Richmond, Va., issues a combination blotter and rule which by uniting two office utilities increases its advertising value to that extent.

The Illinois Trust & Savings Bank of Chicago sends out its statements under a handsomely engraved cover and runs with it a complete list of the stockholders of the bank.

The Pawtucket (R. I.) Institution for Savings has adopted as kind of a trademark the words: "The Oldest Bank in the City" with the date 1836 at the left and the current date at the right. This institution has resources of more than $5,000,000. Assistant Treasurer George E. Nicholas looks after the advertising.

Here are some more savings sermonettes from the Home Savings Bank of Brooklyn, N. Y.:

IS YOUR SALARY INSURED ?

This message is to those who work by the month—school teachers, policemen, firemen, office men, and such.

Are you sure of your job—AND WILL IT LAST "always"?

Will sickness, and hard times, or accident, or old age never come to you? THEY DO TO OTHERS.

If a better job should be offered and a little ready money was needed until things were readjusted, could you take it? Such things have happened to others —WHY NOT YOU?

Why not lay aside a little Every Month— Insurance money, if you please— and be independent ?

You do the work—let us do the worry.
Four per cent. to you for the trouble.

WHICH IS THE BETTER OFF ?

Not long ago a man lost a $3,000 position. He had been a "good liver" and never saved a cent. "What's the use," said he; "am I not on salary and haven't I a sure thing?" Yes—but he lost that sure thing, just the same. He was helpless and had to borrow.

Likewise another—a three-dollar-a-day man—lost his job (hard times), but he had the saving habit and a thousand in the savings bank, for just such emergencies. He did not have to borrow; he simply went to his bank.

A Dollar is Only a Dollar,

A little thing, but mighty big when you need it.

But why let the others set the pace—why don't you get the habit, too?

Our Specialties:

Small deposits.
Steel home banks.
Open three evenings each week.

IS A BIRD IN THE HAND WORTH TWO IN THE BUSH ?

That depends upon what kind of a bird it is. Some birds are not worth having. One day's pleasure IS NOT WORTH A WEEK'S WAGES, and a night at "the Island" is not worth a week's board. Money squandered thus DOES NOT BUY GOOD VALUE. A good time is not the only thing in life, and often not worth what it costs.

We All Need To Learn

The relative value of things. Books and education and wholesome recreation are of far greater worth than ignorance, trash and dissipation. A FIVE DOLLAR BILL IN THE POCKETBOOK IS FAR BETTER THAN FIVE DOLLARS' WORTH OF FUN.

The Bird in The Bush

May be worth TWO IN THE HAND. If he is a good bird, get a bag of salt and go after him! Remember, some things are cheap at any price, and others are dear at nothing.

SAFETY 6% PROFIT

If your money can earn six per cent and at the same time be absolutely safe—and easily available at any time—why should you be satisfied with 3 or 4 per cent?

This company issues 6 per cent

CERTIFICATES OF DEPOSIT

Amply protected by first mortgages on improved real estate. These certificates run for 2 years, or as much longer as you wish. They are issued in amounts of $100 or more, and are negotiable. There isn't any safer, more convenient and profitable investment for savings or idle funds.

Let us send you the booklet giving full information concerning this old, conservative institution

THE CALVERT MORTGAGE & DEPOSIT CO.
1049 Calvert Building, Baltimore, Md.

This Is Strong.

The Bank of England.

THE BANK OF ENGLAND.

By H. Ord Mercer.

IT is now well over two hundred years since William Paterson, a Scotchman, founded Britain's financial stronghold, known throughout the world as the Bank of England; and strangely enough, the Bank of Scotland was founded by an Englishman. In its early days some fifty odd persons, including the directors, comprised the entire staff, and one room sufficed to conduct its business in; today the bank with its London and Provincial branches employs some eleven hundred men and a few score of women, and its name is synonymous with stability and security throughout the world.

As will be seen by the accompanying illustration, the grey stone building darkened by the smoke of London, is low and unpretentious, though not without evidence of architectural beauty, the long blank walls broken only by one entrance on each of the four streets which encompass it like an island, giving it the gloomy appearance of a fortress or a jail. Every evening its gates are closed and protected by massive iron railings, and a military guard takes possession of the building; it is then impossible for anyone to leave or enter any department without a knowledge of the password, which is changed every twenty-four hours.

The Governor and Company of the "Bank of England" consists of about twenty-five wealthy city men who have generally invested fairly heavily in its bank stock, the £100 shares of which have nearly trebled in value. These gentlemen constitute the board of directors which meets every Thursday in the court-room to consider whether any change is necessary in the bank-rate and transact any other business of moment. The director draws £500 a year, the Governor and Deputy-Governor, the latter invariably attending daily, receive respectively £2,000 and £1,500 annually.

Each of the directors has in his gift two nominations annually, which are eagerly sought after. Though now it appears almost unthinkable, there was a time—not so very long ago either—that so great was the dearth of clerical labor, that the bank was compelled to advertise publicly on its walls for forty assistants, and even then had difficulty in obtaining them. And for some years after this, many of the directors would hand their nominations on to their butlers to dispose of, and the evidence of this is still plainly seen in the person of many a rough diamond still remaining in the service.

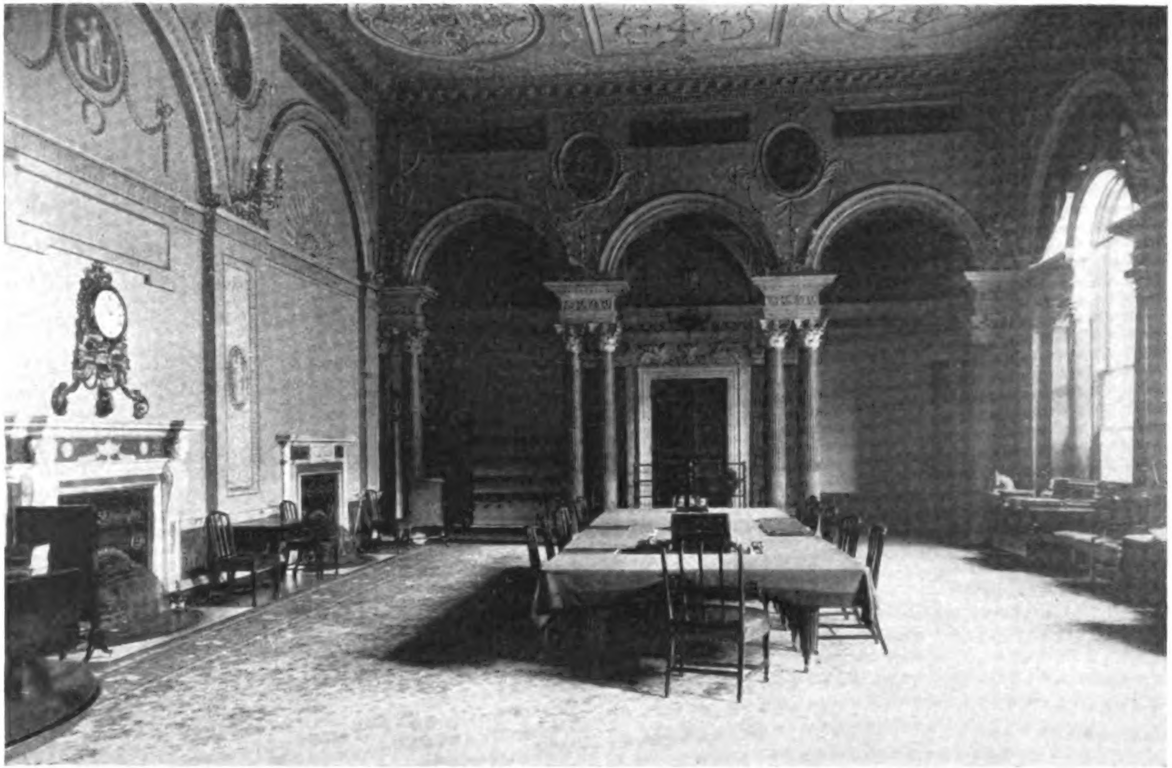
The nominees, who must be between the ages of eighteen and twenty-three years (previously to last year it was eighteen and twenty-five years), must pass an examination in such subjects as arithmetic, geography, dictation, etc., and though the test is not really a difficult one, it is prudent to be well-posted on the various subjects, as a certain high number of marks must be obtained, and failing to secure these, the candidate is rejected and only in very exceptional cases is he given another chance. It is necessary also that the fortunate recipients of the director's nominations should pass the bank's medical officer and find a surety for £2,000.

The annual pay-roll of the bank amounts to about £200,000, the salaries ranging from £100 for the newly elected members, to £3,000 a year to the chief cashier. All clerks must retire at the age of sixty-five years, when they receive as pension two-thirds of their income. Those who through ill-health or other causes are compelled to resign before that age, are generally dealt with fairly liberally by the directors, who are also generous in the matter of sick-leave.

As things are now it cannot be disputed that "The Old Lady of Threadneedle Street" is a distinctly good mistress to serve, but as in everything else in tne clerical world, time has not improved the lot of the worker, so many of the former privileges of the bank clerk have been abolished, and while the new system of higher salaries at the start seems to his advantage, the rise is so gradual and so cleverly planned that in the long run the bank is an enormous gainer.

The bank allows no interest on deposits and those allowed the privilege of keeping an account there must maintain a substantial balance.

On the upper floor of the bank are the printing rooms, where five presses are turning out bank-notes at the rate of several thousands a day. The rupee notes for the Indian Government are also printed there, and the postal notes for the Government are here run out to the number of nealy half a million daily. The most interesting machines are the automatic scales for testing sovereigns. The coins are fed at the rate of about one a second, through a long trough, on to a small inclined plate,



Court Room of the Bank of England.

that shoots the fullweights out in front and throws the lightweights out at the side. About a hundred thousand sovereigns are taken in and weighed daily, of which about two per cent are found deficient in weight; these are clipped and returned to the mint. If in paying money into the bank, the shortage in weight of your gold amounts to over three grains per sovereign, you must make good that loss.

The gold is stored in vaults in the basement, from which it is hoisted to the issue departments by lifts. In the bullion yard, approached from Lothbury, gold is taken in or loaded out from the bank. Here, too, the clerks from the different banks who come for large quantities of gold, are accommodated.

A note, when once paid into the bank, never goes out again, as it is cancelled, relegated to its proper place, stored for seven years and then burnt. All the notes lost in any way, such as by shipwreck, fire, etc., mean a pure gain to the bank, which in spite of its many expenses, big salary roll, etc., makes a clear profit of over £1,000,-000 a year. Most of this, of course, is the interest on the vast sums of money the bank is always lending to its customers in the various parts of the world.

Many of the offices in the bank are architecturally very fine, the private drawing and bill office and the old dividend pay office with its lofty dome, are very imposing offices, indeed, which even the new world with its sumptous edifices will find hard to surpass.

Many prominent and famous men have been at some time Governor of the bank, but chief among these perhaps was that shrewd Scotchman, Sir William Lidderdale, who, by his foresight and eloquent insistence, averted a national disaster by lending timely aid to Messrs. Baring Bros., when that well-known firm, through over-speculation was on the point of collapse.

BANKING IN BRAZIL.

CONSUL-GENERAL George E. Anderson, writing from Rio de Janeiro, again calls attention to the importance of establishing United States banking facilities in South America.

The subject of establishing an American bank in Brazil, which has been previously reported upon by this consulate-general, has been considered by a number of interests in the United States, though nothing definite has resulted. The financial center of Brazil is Rio de Janeiro, and such an institution would naturally have its center here. The fact that practically all other foreign banks here also have establishments in Buenos Aires, Montevideo, and some other South American cities indicates that such an institution should be established upon a broad foundation, and that successful plans for it would include most of the South American continent. It would be of assistance to American trade if a bank were established to cover business in Brazil and Argentina, and the undertaking would be profitable.

There are five so-called foreign banks doing business in Rio de Janeiro. They are the London and River Plate Bank, with a subscribed capital of £2,000,000 (£1 equals $4.86), a paid-up capital of £1,200,000, and a reserve fund of £1,200,000; the London and Brazilian Bank, with a capital of £2,-000,000, a paid-up capital of £1,000,000, and a reserve of £910,000; the British Bank of South America, with a capital of £1,-300,000, a paid-up capital of £650,000, and a reserve fund of £535,000; the Brasilianische Bank fur Deutschland, with a realized capital of 10,000,000 marks (mark equals 23.8 cents), and the Banco Commerciale Italo-Brasiliano, with a paid-up capital of 5,000,000 milreis ($1,500,000), and a reserve of 1,000,000 milreis ($300,000), the last named being organzed in Brazil, but owned largely in Italy.

Two years ago the vast mass of the profits of all the foreign banks in Brazil was from exchange. In the past few months there has been a remarkable change in the course of the banking business here due somewhat to the course of the Brazilian Government in ordering that all exchange transactions growing out of customs duties shall be made through the bank of the Republic, the Government banking institution. At the annual meeting of the corporation this change was spoken of as occasion for congratulation. These banks have been paying sixteen, eighteen and twenty per cent. per annum dividends on their capital, and will average about nine per cent. on the capital and surplus during the past ten years or more. Substantial buildings have been purchased or built, and their business is well established and the most prosperous in the countries they cover.

Few Restrictions on Foreign Banks.

While the business of banking in Brazil is more or less regulated in its relation to Brazilian finance—such, for instance, as the

rule concerning the purchase of foreign exchange for the payment of duties in gold—there is no general supervision of foreign banks by the Brazilian Government. While there is some talk of legislation along such lines present indications are that nothing will be done. The banks do business and maintain their credit upon their financial showings and without other guaranty than their own credit. They issue no paper money or similar obligations.

From the standpoint of a loan and discount business a bank founded by American capital and familiar with American banking methods ought to have a first-class opportunity for establishing itself here. American business here is rapidly increasing, the percentage of increase of American-origin imports in Brazil last year was higher than that of any other great trading nation, and the need of American banking facilities is constantly felt.

Discounts of paper based upon American goods—American consignments—are constantly offered, and these would largely go to an American bank, other things being equal. The fact that a material portion of the loan of the State of Sao Paulo for its coffee valorization scheme was placed in the United States by a New York bank, which received its allotment from a European bank, suggests other lines of banking operations which have been found very profitable.

Saving in Exchange.

In the way of exchange it should be noted that imports from the United States amount to about $25,000,000 annually, and exports to the United States to about $85,000,000. The balance is paid by way of Europe. On exchange between the United States and Brazil at present bankers charge a profit between Europe and Brazil and then between Europe and the United States, or a double profit. American bankers here would therefore be upon exactly the same level with the European banks here as regards exchange.

They might settle by way of Europe, and to the extent of the $25,000,000 of imports they would have a direct advantage, offsetting the tendency of money to flow from the United States here in payment for coffee and rubber by that amount, while with Europe, by reason of large loans placed abroad and heavy interest charges, the tendency of money is to flow from Brazil to Europe in spite of the excess of exports over imports. An American bank here would have all the advantages held by European banks besides other advantages not possessed by them. The establishing of such a bank here would certainly work to the advantage of American export trade.

MONTANA'S BANKS AND CREDIT.

IN his address before the recent convention of the Montana Bankers' Association, Mr. George M. Hays paid the following tribute to the banks and to the credit of the state:

Montana is justly proud of her banking and financial credit, bank failures have been few, the record from the early territorial days of forty-five years to the present time, will compare most favorably with other communities; with a scattered population of 350,000 people occupying nearly 100,000,000 acres of land, there are about 150 banks with deposits of approximately $60,000,000, which makes an average of $400,000 with each bank.

The public credit of this commonwealth has always been of the highest. In all our history not a single issue of school, municipal, county or state bonds has been repudiated, interest payments have been promptly met and the process of refunding the public indebtedness at lower rates of interest has been steadily progressing for a number of years.

LONDON SUSPICIOUS OF OUR STOCKS.

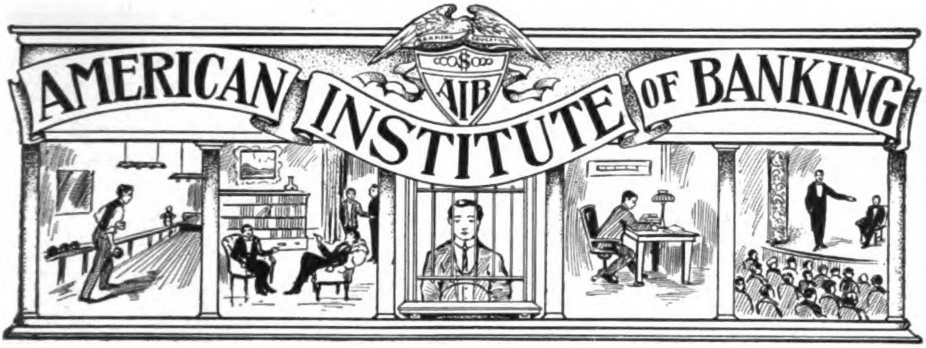
HIGH financial operations in the United States have served to discredit American securities in the eyes of British investors, according to the London correspondent of the New York "Evening Post." He says:

The public here is imbued with the idea that manipulative tactics and financial irregularities, not to say corrupt practices, while peculiar to no particular country, are accentuated in the United States by reason of the fact that in that country capital—that greatest of all modern powers—is concentrated in so few hands, while the laws of the land, which are supposed to be framed for the protection of the investing public, seem in the United States—not to be nonexistent, but almost non-operative. Crisis succeeds crisis in America, sometimes of a banking, sometimes of a Stock Exchange character, but we fail to see after each crisis the laying by the heels of culpable individuals and the enacting of further drastic legislation designed to protect those who have suffered from past calamities.

THE FOUNDATION OF GOVERNMENT.

HERE is a strong plea for maintaining the authority of the courts, made by Mr. Taft:

The administration of justice lies at the foundation of government. The maintenance of the authority of the courts is essential unless we are prepared to embrace anarchy. Never in the history of the country has there been such an insidious attack upon the judicial system as the proposal to interject a jury trial between all orders of the court made after full hearing and the enforcement of such orders.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

OPPORTUNITIES FOR YOUNG BANKERS.

Leading Chicago Bankers Give Their Ideas for the Benefit of Our A. I. B. Readers.

THIS month we have some inspiring words of encouragement to young bank men from two men who are among the leaders in the banking field—Joseph T. Talbert, vice-president of the Commercial National Bank of Chicago, and E. D. Hulbert, vice-president of the Merchants Loan & Trust Company, also of Chicago.

These interviews, obtained especially for THE BANKERS MAGAZINE by Benjamin B. Bellows of the Chicago Chapter, are the first of a series of similar ones we are planning to publish in this department.

New Duties; New Responsibilities.

Mr. Talbert said:

"In times past banking was an occupation, a business of money lending; commerce was restricted within the limits of caravel and primitive sail. Now banking is a world-wide profession, unlimited in scope as it is in power. The mighty achievements of invention and discovery during the nineteenth century marked a separation from the whole past of the world and set new standards to which nothing is comparable in human annals. The mighty forces of commerce, the genii of civilization—the printing press, steam and electricity—marvels in the wide and rapid distribution of thought—have increased the usefulness, power and influence of banks, created new duties and thrown upon bankers new responsibilities. These belong to us by right of inheritance. It is the privilege of bankers of the twentieth century to assume and discharge them. The useful employment of these great privileges demands increasing intelligence with broader knowledge and wider experience. Any

E. D. HULBERT
Vice-President of the Merchants' Loan and Trust Company, Chicago.

young man who would fit himself for the high calling of banking in its modern meaning has the opportunity open to him through the splendid work of the American Institute of Banking. Let none neglect this opportunity who aspires to better things."

JOSEPH T. TALBERT

Vice-President of the Commercial National Bank, Chicago, who believes that there are big opportunities for young bankers to-day.

No Favoritism in Banking.

Mr. Hulbert said: "I feel that in discussing the present opportunities for young bankers with young bankers, we must be careful not to build any false fires.

"In my judgment, there are no lines of business that offer greater opportunities than the banking business for a young man to become a useful, self-supporting and self-respecting citizen. The young man, however, whose chief ambition is the acquisition of great wealth had better seek some other calling. The banking business offers few opportunities for him.

"For those who are satisfied with such honors and emoluments as the banking business offers, the opportunities are good. I know of no other business in which so few men are required to handle a given volume of business. The largest of our banks employ but a few hundred clerks, whereas, it would take as many thousand to handle an equal volume of business in the case of a mercantile or a manufacturing concern, or a railroad. The number of executive officers is about the same in each case, so that the chance of any employee becoming an executive officer is many times greater in a bank than in these other lines.

"Speaking generally, there is no favor-

itism in the banking business. Promotions are made strictly on merit and no capital or influence is required to become the president of a bank; that is within the reach of all men having the training and ability to fill such a position. The main difficulty heretofore has been that the junior clerk in a large bank has had little chance to get such a general knowledge of his own trade, as well as such general knowledge of men and affairs as would qualify him for executive work. The American Institute of Banking, I know, is going a long way towards filling this want.

"In this connection, I wish to commend to your consideration the somewhat startling statement made by a recent writer; namely, that 'Every man is what he most desires to be.' This, of course, is rather too sweeping a statement, but the idea is, that while most men desire to be something that they are not, what they really most desire is the ease and pleasure of the passing moment and that they get. The man who really desires anything enough to sacrifice present comfort and pleasure for it, is quite likely to get it."

O. H. CHENEY
Deputy Superintendent of Banking, New York.

SUCCESSFUL A. I. B. MAN.

The Career of O. H. Cheney an Encouragement to all Institute Members.

NEWS of the success of any Institute member is always encouraging to his fellow members. From time to time, therefore, THE BANKERS MAGAZINE intends to publish portraits and brief sketches of A. I. B. men who are getting ahead in their chosen work.

At its last session the New York Legislature created the position of Third Deputy Superintendent of Banks of the state, this officer to have charge of the New York City office of the department.

For this important position the choice fell upon O. H. Cheney, a charter member of the New York Chapter of the American Institute of Banking, who is well known to many members of the Institute throughout the country, but particularly in New York, having for six years served on the board of governors of the New York Chapter.

Mr. Cheney was born at Bloomington, Ill., and was educated at Drake University, University of Michigan and New York University, taking the degree of Bachelor of Laws at the latter institution in 1897. He was engaged in the banking business in New York for ten years before taking up the practice of law, becoming familiar with all the details of the business. He is now senior member of the law firm of Cheney, Vance & Stockell, 32 Broadway.

Mr. Cheney is a prominent member of the national college fraternity of Phi Gamma Delta and of the legal fraternity of Phi Delta Phi. He is also a member of the Board of Management of the Twenty-third Street Y. M. C. A., New York.

TO STIR UP INTEREST.

The Chattanooga Chapter has Issued a Good Booklet.

A BOOKLET just issued by the Chattanooga Chapter gives a short history of the organization, as follows:

In May, 1907, fourteen of the bank clerks of Chattanooga formed an association for educational and social purposes.

A month later this was affiliated with the Associated Chapters of the American Institute of Banking, and the following officers elected for the first year: Frederic Colville, president; T. R. Durham, vice-president; E. E. Bristow, secretary; R. G. Brock, treasurer.

The Chapter was represented at the National Convention by F. L. Underwood. Papers have been read before the Chapter by T. R. Preston, W. A. Sadd, C. R. Evans, F. L. Underwood, H. H. Henson, Clay Herrick, of Cleveland, Ohio, and others.

For several months a live class in Commercial Law has been conducted by Mr. L. M. Thomas.

The first year's work was closed January 30th, with a banquet, at which over seventy members, active and honorary, were present.

The purpose of the chapter is stated tnus:

The Chattanooga Chapter of the American Institute of Banking stands for education and fraternity. Its purpose is to stim-

ulate a greater interest in problems of banking and finance, and to encourage progress and proficiency among its members.

Its aim along educational lines is to transform the work of the bank clerk from dull routine into methods of greater intelligence and effectiveness.

Our meetings afford opportunity to extend and cultivate acquaintance with men of our profession and to exchange ideas and experiences, which are both profitable and interesting.

Our programs are practical and varied. The debates and discussions on pertinent topics by our members give excellent practice in rapid logical arguments and clearness of expression.

During the coming year we shall be favored with addresses by some of our most prominent business men and statesmen.

The class in commercial law, under the able instruction of Mr. L. M. Thomas, is probably one of the most beneficial features of the Chapter work, and the question box, which is conducted in connection with this, is very popular.

A hearty interest and a true chapter spirit pervades our meetings and a warm welcome awaits any bank clerk who will join hands with us in this school of self-help and instruction.

PRIZES FOR WRITERS.

A Chance for Institute Members Who Have Time to Study and Write.

THE attention of ambitious members of the Institute—especially those interested in financial writing and investigation—is called to the generous prize offer described in the following official announcement:

ECONOMIC PRIZES.

In order to arouse an interest in the study of topics relating to commerce and industry, and to stimulate those who have a college training to consider the problems of a business career, a committee composed of Professor J. Laurence Laughlin, University of Chicago, chairman; Professor J. B. Clark, Columbia University; Professor Henry C. Adams, University of Michigan; Horace White, Esq., New York City, and Hon. Carroll D. Wright, Clark College, have been enabled, through the generosity of Messrs. Hart, Schaffner & Marx, of Chicago, to offer in 1909 prizes under two general heads. Attention is expressly called to a new rule that a competitor is not confined to subjects mentioned in this announcement; but any other subject chosen must first be approved by the Committee.

I. Under the first head are suggested herewith a few subjects intended primarily for those who have had an academic training; but the possession of a degree is not required of any contestant, nor is any age limit set.

1. German and American methods of regulating trusts.
2. The logic of "Progress and Poverty."
3. What are the ultimate ends of trade-unions and can these be gained by any application of the principles of monopoly?
4. In view of the existing railway progress, should the United States encourage the construction of waterways?
5. Is it to be expected that the present and recent production of gold will cause a higher level of prices?

Under this head, Class A includes any American without restriction; and Class B includes only those, who, at the time the papers are sent in, are undergraduates of any American college. Any member of Class B may compete for the prizes of Class A.

A FIRST PRIZE OF SIX HUNDRED DOLLARS, AND A SECOND PRIZE OF FOUR HUNDRED DOLLARS are offered for the best studies presented by Class A, and A FIRST PRIZE OF THREE HUNDRED DOLLARS, AND A SECOND PRIZE OF TWO HUNDRED DOLLARS are offered for the best studies presented by Class B. The committee reserves to itself the right to award the two prizes of $600 and $400 of Class A to undergraduates in Class B, if the merits of the papers demand it.

II. Under the second head are suggested some subjects intended for those who may not have had academic training, and who form Class C:

1. The best scheme for uniform corporation accounts.
2. Desirable methods of improving our trade with China.
3. The proper spheres of the trust company and the commercial bank.
4. The relations of oriental immigration to American industries.
5. The relative efficiency of American and European labor in manufacturing industries.

ONE PRIZE OF FIVE HUNDRED DOLLARS is offered for the best study presented by Class C; but any member of Class C may compete in Class A.

The ownership of the copyright of successful studies will vest in the donors, and it is expected that, without precluding the use of these papers as theses for higher degrees, they will cause them to be issued in some permanent form.

Competitors are advised that the studies should be thorough, expressed in good English, and although not limited as to length, they should not be needlessly expanded. They should be inscribed with an assumed name, the class in which they are presented, and accompanied by a sealed envelope giving the real name and address of the competitor. If the competitor is in Class B, the sealed envelope should contain the name of the institution in which he is studying. The papers should be sent on before June 1, 1909, to

J. Laurence Laughlin, Esq.,
The University of Chicago,
Chicago, Illinois.

It will be noticed that the subjects under the second head do not call for a college education on the part of the contestant, and that one of the suggested topics is a banking one.

LOOKING AHEAD.

THE time comes in the life of almost every man, says the American Business Man, when he must choose between immediate gain and future advantage, or between monetary betterment and mental growth. And the man makes no mistake who puts away the alluring gleam of the present for the more substantial benefit of the future.

We buy everything we get in life; if we would have education we must forego income; if we wish to get married we must give up some of our bachelor pleasures. Some of the prices we pay seem very dear—for others we refuse to pay at all, only to find in the end that we must meet the bill with interest compounded. We cannot get away

from it because it is a bargain with ourselves, and the man has not yet been found who can hide from himself for any great length of time.

Shonts, the great engineer who left the Panama Canal because New York's street railways needed him badly enough to pay a prince's income for his brain, was once a practising attorney, with a large income. But he yearned to be big in railroad affairs, and he felt in himself the inherent ability to do things with wheels and ties. So he took a job at a paltry seventy-five dollars a month—but it was a job where he could learn. He seized the chance to exchange money for opportunity, and in the end, like Patrick Henry, who asked for liberty or death, he got both.

MORE N. Y. PROMOTIONS.

W. F. POLK of the National City Bank of Troy, N. Y., an associate member of the New York Chapter, has been appointed cashier of that institution. J. B. Korndorfer, formerly with the Irving Exchange National Bank, and two years ago vice-president of the New York Chapter, has been appointed cashier of the People's National Bank of Brooklyn.

MINISTER AND BANKER.

SPEAKING before the members of the Chicago Chapter some time ago on the subject of "The Minister and the Banker," the Rev. W. E. Barton, of the Oak Park (Ill.) Congregational church, said in part:

Judged by commercial standards, these two men have little enough in common. They appear in different columns, if at all, in the lists of Dun and Bradstreet. And it would be idle to deny that the contrast goes further. Yet each is, in a way, a priest. For has not every one noticed that solemnity, that sense of awe and mystery, with which men enter a bank? It is as if they said, "We are standing in the outer court of the temple of the great god, money. Behind this curtain of iron bars and plate glass and mahogany are those who receive our offerings, and lay them on his altar, and who deign to intercede with him for measured blessing in answer to our prayers and collateral."

Bankers and ministers have very much in common. They stand apart from all other professions as representing public confidence. If a bank fails it shakes public confidence more than if a dry-goods firm assigns, the amount of liabilities being equal. If a minister goes wrong it shakes public confidence as the fall of a lawyer or doctor does not.

In the world of commerce the banker represents what the minister stands for in the realm of ethics. Each is the exponent of an ideal; and each either exalts or degrades that ideal. The banker who has held other men to strict account in the matter of their financial obligations, the minister who proclaims honesty and virtue and spirituality, have need to tremble lest, having preached to others, they themselves should become castaways.

Richmond Delegation at A. I. B. Convention at Providence, July 22-23-24, 1908.

CHICAGO TO ST. JOSEPH.

A Fraternal Greeting From One Chapter to Another.

AS illustrating the fraternal spirit which exists in the Institute, the following sketch of the Chicago Chapter, written by former President F. W. Ellsworth, and sent to St. Joseph (Mo.) chapter upon the occasion of its first annual banquet, is interesting:

Chicago Chapter of the American Institute of Banking was organized in 1901 with Fred I. Kent, manager of foreign exchange department of the First National Bank, as president. Five hundred members were secured during the first year and much enthusiasm was engendered among both the bank men and the bank officers of Chicago, with the result that there was laid a safe and sure foundation for the educational advancement of Chicago bank men.

Seven years have passed and to-day finds the Chapter a strong, healthy, powerful, educational and fraternal club, whose membership is drawn from practically every banking institution in the city of Chicago. There have served as president of the organization during these seven years, in addition to Mr. Kent, the following gentlemen: Ralph C. Wilson, assistant cashier of the Bankers' National Bank; George K. Wadsworth, discount clerk, American Trust & Savings Bank; Fred A. Crandall, assistant cashier, National City Bank; Edward J. Goit, paying teller, Bankers' National Bank, and F. W. Ellsworth, manager publicity department of the First National Bank.

The success of each administration has been assured by the active co-operation of an Executive Committee selected by the Chapter, whose personnel almost invariably has been indicative of superior ability and earnest purpose.

While the primary object of the organization is the educational uplift of its members, other features from time to time are introduced to supplement and assist the larger purpose.

Minstrel shows, participated in exclusively by Chapter members, have been given, netting large sums to the Chapter treasury. Ladies' nights, special Chapter nights at some of the theaters, athletic meets, Chapter dances, and lake trips have added to the variety of entertainment.

The Chapter at different times has affiliated with both Northwestern and Chicago Universities in conducting classes in banking and finance, and at the present time is engaged with Northwestern University in such a course.

At the regular meetings lectures and addresses are given by men prominent in various lines of business and these help to broaden the knowledge of those engaged in our vocation.

Permanent headquarters are maintained in Northwestern University Building where the boys can drop in at any time and enjoy its advantages.

Inter-city debates have been held with various cities and these have promoted a feeling of good fellowship which should prevail among Chapter men universally.

The Bank Man, a sixteen page monthly, which is devoted to Chicago Chapter and its activities, was established in 1906 and is a most successful periodical.

The early organizers of Chicago Chapter by their fidelity and enthusiasm established a foundation upon which there has been erected one of the most powerful organizations of its kind in America. From a small beginning the membership has increased to approximately 1000 men and is still growing.

And right here let me assure the bank men of St. Joseph that while "in numbers there is enthusiasm," numbers is not the only essential. From what I can learn of your organization I am convinced that you have the material and the desire necessary to the successful upbuilding of a Chapter which shall be even more abiding than it now is.

It is pleasant to contemplate that we belong to a fraternity which has no duplicate in this country, whose primary and ultimate purpose is the mental and intellectual growth of its members, and whose success, phenomenal as it has been, has not yet even approached its zenith.

E. H. CALLANAN
Vice-President N. Y. Chapter.

WORDS OF PRAISE.

The Secretary of the American Bankers' Association is Enthusiastic About the Institute.

COL. Fred E. Farnsworth, secretary of the American Bankers' Association, in the Journal of that organization for August made this plea for the recognition of the A. I. B. as a section of the A. B. A.:

The great work that is being done by the American Institute of Banking is not generally understood by the membership of the American Bankers' Association, and only those banks which come into actual contact with the members of the chapters in the larger cities of the country are familiar with the scope of the Institute's work.

As a member of the Executive Council, I attended the Institute meeting at Detroit in August, 1907, and received such a favorable impression of the organization that I thought it essential to attend the seventh annual convention just held at Providence, R. I., in an official capacity. It would be impossible to find a finer body of young men than the delegates who are sent to these annual meetings. Their sessions are conducted with business-like precision, and the young men are earnest and enthusiastic in

their work, showing a training in parliamentary law and usages that is remarkable

That the Institute is following along the lines laid out for it by the educational committee which recommended the formation of the body at Richmond in 1900 is fully apparent, from its annual meetings as well as the various chapter meetings, where discussions and debates are held. The boys are getting a training which cannot but be of incalculable benefit to them in the future when they take the place of the bankers of to-day, which they are bound to do.

Now that this body by the adoption of the new constitution and by-laws, duly approved by the American Bankers' Association, is a separate and distinct organization, it is quite important for its future welfare as well as for the parent Association that there be a closer tie between the two. This tie can be brought about by making a Section of the American Institute of Banking, giving the Section representation on the Council by a member of the Institute who is qualified to sit on that body. The unanimous action of the Institute asking that it be made a Section should receive the serious consideration of the Executive Council and the American Bankers' Association at its next convention at Denver.

MODERN BANKING.

(The Shawmut Bank of Boston has established in its basement a range for pistol practice by clerks.—News item.)

How your banker of old, in his dim little den,
Would be stunned at our modern improvements;
Long-hand writing, quills, sanding of ink, used they then,
And they surely were slow in their movements.

How they'd gasp at the glimpse of an adding machine,
Footing figures in heaps clear as crystal,
At an auto that whisks around town the long green—
At a clerk paid to play with a pistol!

Stress of time (which is money) these wonders reveal,
Save this latest we owe to the bandit—
Gold he'd seek, but 'tis lead we put up 'gainst his steal,
Where of old meekly over they'd hand it.

"Young ideas to train how to shoot" once they'd say—
We our aims form with shooting that's real;
Then they'd mildly exhort about blazing a way—
"Blaze away" is to-day our ideal.

Their shell they ne'er left—see how we empty shells!
Scores we write where they'd balances "figger":
Pull or influence sought they—the pull that now tells
Is the press on the dainty hair-trigger.

In high terms on one's "calibre" often they'd hark—
"Thirty-two," "forty-five," to-day spells it;
And they'd cite how some bright lad was making his mark—
"He's a marksman all right," now quite tells it.

Both our scores and our ledgers are equally clean—
Get a drop on the one not the other;
For note-shaving or shooting-scrape equally keen,—
Draw a bead, as a check, without bother.

ARTHUR A. EKIRCH
Secretary New York Chapter.

Deadwood Dick, Leather-Stocking, the schoolboy'll forsake,
To read banking tales gory and grisly,
And when'er international trophy's at stake,
We'll send over our bank clerks to Bisley!

Here at last is "sound" banking, most bang-up of sorts,—
Of depositors' fears a dissolver,
While thus they continue to hear good reports
From the bank clerk behind the revolver!

—Boston News Bureau Poet.

N. Y. CHAPTER LECTURES.

COL. CHARLES E. SPRAGUE of the Union Dime Savings Bank, New York, will give a course of lectures on "Amortization" before the New York Chapter, beginning next month.

A GOVERNOR WHO IS ADMIRED.

IN attempting to account for the popularity of Governor Hughes of New York, the New York "Times" says:

The Governor has awakened the moral sense of the people, has very directly and persistently appealed to it, has consistently respected it, and has shown that he profoundly believes in it.

And at the risk of being called a preacher, we can say that the moral sense of the people is a mighty good thing to believe in, and when that belief fails all things that are lovely and of good report will fail also.

THE DENVER CONVENTION.

Arrangements Are Completed For a Large Gathering of the A. B. A. This Month.

THE annual convention of the American Bankers' Association will be held in Denver September 28th to October 2d. Among the chief speakers are J. B. Forgan, president First National Bank, Chicago; Alexander Gilbert, president the New York Clearing House and president Market and Fulton National Bank, New York. President Woodrow Wilson of Princeton University, Princeton, N. J., will address the Association on "The Banker and the Nation"; B. E. Walker, president Canadian Bank of Commerce, Toronto, Ontario, on "Abnormal Features of American Banking." The business sessions will commence at 9.30 in the forenoon—two sessions a day, September 30th and October 1st. There is every indication that the thirty-fourth annual convention will be very largely attended, and unusually successful from every standpoint.

The New York State Bankers' Association will have a special train to Denver and Glenwood Springs, Col. It will be a special train de luxe over the New York Central lines.

This train will be a duplicate of the Bankers' special to the Pacific Coast in 1903, and will be retained for the entire tour of fifteen days' duration.

The program includes the following:

ENTERTAINMENT FEATURES.

Monday evening, September 28th, a banquet to the members of the Executive Council, given by the bankers of Denver.

Wednesday evening, September 30th, promenade reception at El Jebel Temple.

Thursday, October 1st, entertainment of the visiting ladies—auto ride around city, with luncheon at the Country Club.

Friday, October 2d, will be given up entirely to a trip over the Moffat Road, which is considered the finest piece of railroad engineering in the West and is also very noted for its mountain scenery.

BUSINESS SESSIONS.

The Savings Bank Section holds its sessions on Monday; the Trust Company Section, the Clearing House Section and the Organization of Secretaries on Tuesday; Executive Council meeting Tuesday, also various committee meetings; opening of the convention at the Auditorium Wednesday morning at 9.30 o'clock.

Addresses of welcome by Hon. Henry A. Buchtel, Governor of the State of Colorado, and Hon. Robert W. Speer, Mayor of the City and County of Denver.

Response to addresses of welcome and President's annual address by J. D. Powers, President American Bankers' Association, Louisville, Ky.

Prayer by Right Rev. Charles S. Olmsted, Episcopal Bishop of Colorado.

Thursday's sessions will be opened by prayer by Rev. Robert F. Coyle, D. D., Pastor Central Presbyterian Church.

The order for the general business of the Association will be found in the official program. There will be two sessions a day, and the final meeting of the Executive Council will be held Thursday night, October 1st.

The local committee has arranged for the usual privileges for the members attending the convention—telegraph, telephone and street car.

The Brown Palace Hotel—headquarters—where the Sections and committees will meet, will also be the general registration place for members.

The Monetary Commission of Congress has appointed the following committee to attend the convention: Senator Teller, Representatives Bonynge, Weeks and Burgess.

The Association has had under preparation for several months a new cypher code which it is intended shall be first-class and complete in every respect. This code will be sent to the members about September 1st and become effective September 15th.

The present membership of the Association is 9700 and increasing every day. This is several hundred more than at the same period last year, although the Association has lost, as it always does annually, members by delinquencies, failures and consolidations.

The Committee on Revision of the Constitution and By-Laws, appointed by the Executive Council at its meeting in Lakewood in May, met at the Association office August 12th and prepared a revision. This revision does not embody any radical changes in the way of amendments, but has been made with a view of straightening out some of the sections which are not very clear, and avoiding contradictory sections which have come about by various amendments to the constitution which have been made during the last twenty-five years.

The Savings Bank Section Committee held a meeting in New York on Friday, August

7th, to prepare a report to be made to the convention on Postal Savings Bank legislation.

Following is the official program:

FIRST DAY—WEDNESDAY, SEPT. 30, 1908.

(Subject to change by vote of the Executive Council or by vote of the Convention.)

Convention called to order at 9.30 o'clock A. M. by the President, Col. J. D. Powers.

Prayer by Right Rev. Charles S. Olmsted, Episcopal Bishop of Colorado.

Addresses of Welcome by Hon. Henry A. Buchtel, Governor of the State of Colorado, and Hon. Robert W. Speer, Mayor of the City and County of Denver.

Reply to Addresses of Welcome and Annual Address by the President, Col. J. D. Powers.

Annual Report of the Secretary, Mr. Fred. E. Farnsworth.

Annual Report of the Treasurer, Mr. A. A. Crane.

Report of the Auditing Committee.

Report of Executive Council by the Chairman, Mr. Lewis E. Pierson.

Report of the Protective Committee.

Report of Committee on Uniform Laws by the Chairman, Mr. Edward D. Keys.

Report of the American Institute of Banking by the Chairman, Mr. Joseph Chapman, Jr.

Report of the Committee on Bills of Lading by the Chairman, Mr. Lewis E. Pierson.

Report of Standing Law Committee by the Chairman, Mr. William J. Field.

Report of Committee on Express Companies by the Chairman, Mr. Fred. I. Kent.

Report of the Federal Legislative Committee by the Chairman, Mr. Arthur Reynolds.

Report of Committee on Uniform Stationery and Tints by the Chairman, Mr. John Schutte, president Manitowoc Savings Bank, Manitowoc, Wis.

Report of Committee on Voucher Checks by the Chairman, Mr. Clay H. Hollister, Cashier Old National Bank, Grand Rapids, Mich.

Report of Committee on Credit Information by Mr. William A. Law, Vice-President Merchants' National Bank, Philadelphia, Pa.

Report of Committee on Amendments to Constitution by the Chairman, Mr. F. O. Watts, President First National Bank, Nashville, Tenn.

Address by Mr. B. E. Walker, President The Canadian Bank of Commerce, Toronto, Ont. "Abnormal Features of American Banking."

Address by Mr. Woodrow Wilson, President Princeton University, Princeton, New Jersey. "The Banker and the Nation."

Practical Banking Questions.

(Discussions limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

SECOND DAY—THURSDAY, OCT. 1, 1908.

Convention called to order at 9.30 o'clock A. M. by the President, Col. J. D. Powers.

Prayer by Rev. Robert F. Coyle, D. D., Pastor Central Presbyterian Church.

Announcements.

Report of the Currency Commission.

Discussion of the Report of the Currency Commission and the Currency, in which delegates are invited to participate.

Address by Alexander Gilbert, President the New York Clearing House, and President Market and Fulton National Bank, New York.

Roll Call of Vice-Presidents.

The Vice-Presidents who attend the Convention are personally requested to reply with five-minute speeches, telling of the business conditions in their states and territories.

Address.

Unfinished Business.

Report of Committee on Nominations.

Elections.

Installation of officers elected.

Adjournment.

The program of the Savings Bank Section will be found in the Savings Bank Department, and the program of the Trust Company Section in the Trust Company Department of THE BANKERS MAGAZINE.

FARM INCOME FOR 1908.

THE figures presented in another column of the agricultural income of the United States for the current calendar year are by all comparison the most emphatic commentary on the prosperous condition of that branch of American industry. It is estimated that the 6,250,000 farms of the country will this year yield a total amount of wealth valued at $8,500,000,000. If the investment capital of American farms be conservatively estimated at $25,000,000,000, the gross value of the products will be 34 per cent. of the total capital investment.

The significance of this figure lies in the measure of economic strength in agriculture. This strength is shown not simply in the increment of the product of labor and capital upon land, but also as a measure of purchasing power in the hands of the rural people. As the population of the farms of the country comprises one-third of the entire population it is apparent that this fact is of the utmost significance in determining the return of prosperity to other fields of enterprise.

Neither commerce nor manufacturing can long remain stagnant with such a flow of wealth coming into the hands of so large a proportion of the population. In other words, the progress of wealth through the operation of the American farm is one of the inevitable influences which is making for a return of the world to its usual degree of activity.

An influence such as this exerts itself in two directions. First upon domestic enterprise outside of agriculture and secondly, upon foreign trade. It equips the farm with resources through which it creates a demand for products, for capital and funds to carry on larger work. It stimulates finance by the accumulation of funds, first in rural hands and then through investment or loans in financial centers, where it is directed into channels which offer the best inducements. In this way the whole world has come to feel the leaven of the series of American crops, which during the past ten years may be estimated at a total of $61,000,000,000.

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

Mr. Crewe's Career. By Winston Churchill, New York: The Macmillan Co. (Price $1.50.)

That implacable foe of the railroad in politics, Winston Churchill, has hit the enemy again, and the blow comes in such a way that it is hard to parry. When corporation methods are attacked through the medium of a popular novel it is not an easy thing for the corporation to defend itself.

In "Mr. Crewe's Career," Mr. Churchill has scored another success in that series of novels of American life which includes: "The Celebrity," "The Crossing," "Richard Carvel," "The Crisis" and "Coniston." In choosing the title for his latest book, the author has doubled his good luck initial "C," which has appeared in the titles of all his previous works.

"Mr. Crewe's Career" is a political novel, the interest of the reader being about equally divided between love and politics, though the political passages seem longer than the romantic ones.

In a way "Mr. Crewe's Career" is a sequel to "Coniston"—not as far as the story itself is concerned, but as illustrating the later development of the political methods described in the earlier work, the scenes being laid in the same State—supposedly New Hampshire.

The gist of Churchill's message in this book is that the American people are in grave danger of losing at least part of their inalienable rights in the matter of government because "big business" and politics are too closely allied. The story is an honest and an interesting one. "Hilary Vane," the boss, is not an unlovely character, as most political bosses are painted, but is a strong man whose human sympathies and sense of right have been dulled through the force of circumstances. The heroine of the story is the daughter of the railroad president who heads the "machine." She is a unique and lovable character, and her romance with "Austin Vane," the reform politician, who opposes politically both his own father and the father of the woman he loves, provides the heart interest of the story. "Mr. Crewe" does not play a serious role, but is a diverting feature of the tale, representing the rich and *dilettante* politician who is interested in public affairs for the satisfaction of his own vanity alone.

As a whole "Mr. Crewe's Career" is a book eminently worth while—a contribution to our literature of more than passing value.

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The Small Country Place. By Samuel T. Maynard, Philadelphia: J. B. Lippincott Co. $1.50 net.

The steady trend of people of both large and modest means back to nature has created so great a demand for books such as Mr. Maynard's that there is apparently little danger of an over-supply. This attractive volume, copiously illustrated, was written by a man who has spent more than thirty years teaching botany and horticulture. It is thoroughly practical and will be of great value to those who live upon small country places, especially those whose work in the city allows them but a few hours each day to spend about the home. The author discusses the growing of farm and garden crops, the care of the horse, the cow, poultry, and bees, and similar subjects, and the large farmer or the owner of a bit of land in the country or suburbs will find something in the book for him.

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The Lure of the Mask. By Harold MacGrath. Indianapolis: The Bobbs-Merrill Co. (Price $1.50.)

This is a modern novel of adventure. The author does not allow any slavish adherence to probabilities to spoil his story, which is the dashing account of how a young American millionaire meets his affinity wearing a mask, follows her to Italy and, after manifold difficulties, claims her as his own. Like all of MacGrath's stories, "The Lure of the Mask" is full of bright dialogue and many gems of wit sparkle from its pages. The style is terse and at times epigrammatic, like that of a journalist. The author was formerly a newspaperman, his first reputa-

tion as a humorist having been acquired when he was connected with the Syracuse "Herald." It is apparent that the author, with the dramatic success of his "The Man on the Box" in mind, has written this book with the possibility of its dramatization before him. The many exquisitely humorous situations, the beautiful Italian setting, the sustained mystery and the several thrilling, not to say melodramatic, incidents, of the story are all elements that would tend to make a popular play. Certain passages of patriotic American sentiment contained therein would also stir up the enthusiasm of a Broadway audience.

Incidentally this story is an interesting book of travel as far as Italy is concerned, giving a better idea of life in Naples, Venice, Florence and on the Riviera than could be obtained from a Baedeker. Altogether, "The Lure of the Mask" is good reading.

AMERICAN BANKING AND CURRENCY.

IN a recent number of Fisk and Robinson's "Monthly Bulletin of Investments" there appeared this timely article on financial legislation:

The history of banking and currency in the United States may be divided roughly into three periods—that between the close of the Revolution and the panic of 1837; the period from that date to the creation of National Banks in 1864, and the period which has since elapsed. The story prior to 1837, especially in the South and West, is, in the main, one of banking weakness and disaster, due to ignorance of fundamental principles, insufficient capital, intentional dishonesty in management, inadequate redemption facilities, assets unsatisfactory both in character and value, and—not least of all the adverse influences—political interference. It is needless to say that the losses to noteholders during this period were very great. Educational processes had been going on, however, at heavy cost. From this chaos there began to emerge, just prior to 1837, sounder banking conditions and there arose between that time and the civil war many banking institutions whose managements were beyond reproach and whose histories are most honorable.

In 1830, the State Bank of South Carolina, which previously had been owned solely by the state, and which ended in disaster, was rechartered and had a prosperous career until closed by legislative act in 1871.

In 1833 the State Bank of Kentucky, a strictly state bank, was chartered and continued successfully as a state bank until 1877, when the state resigned its interest in the institution.

In 1834 the State Bank of Indiana received a charter and was partly owned by the state. It was organized on sound principles and had a most successful career.

The Bank of the State of Missouri, which received its charter in 1837, enjoyed the distinction of never having suspended, even temporarily, specie payments during its life as a state bank.

The Bank of Tennessee, chartered in 1838, was not a highly successful enterprise, but it transacted business until 1866, and paid its notes in full.

The Louisiana Bank Act of 1842 was a model, even for the present day. It required a 33 1-3 per cent. specie reserve, and under the benign influence of these laws the state had become in 1860 the fourth in the country in banking capital and the second in specie holdings.

The Ohio banking laws of 1845 were framed largely on the excellent laws of Indiana. Under their provisions the State Bank of Ohio, with its 36 branches, as well as many other banks within the borders of that state, enjoyed great prosperity.

Iowa developed an almost perfect banking system, which continued in force until the passage of the National Bank Act. Originally opposed to banking, Iowa finally became so harassed by the vagaries of the bond-secured circulation of neighboring states that in 1857 it enacted legislation which gave to the Iowa banks a well nigh ideal system.

Most, if not all, of these chartered state banks had many branches. While they had gained much from the sad experience of early days and were more prudently managed, they were based on sounder principles. Their capital was bona fide, their loans were more carefully made, they were subjected to reasonable redemption requirements, both as to facilities and form of redemption, their notes were based on commercial assets, and coin reserves were usually required. The State Bank of Indiana had the right to issue notes to double its capital, and the banks of Louisiana could issue without limit. But in neither state did they suspend payment in the panic of 1857. There was no inflation, because in a proper bank credit currency it is an impossibility, and there were no losses to the noteholders.

Compare the history of these institutions with that of banks issuing bond-secured currency. In 1829 the state of New York passed the "Safety Fund Act," under the terms of which a three per cent. of capital guaranty fund was established. Even in the panic of 1837 no New York bank organized under this law failed, but while there was no real opposition to the principle of commercial assets as a basis of note issue or to the principle of a "safety fund," a political issue was deemed necessary, and out of this grew the "Free Banking Act" of 1838, which permitted the use of national and state securities and of mortgages as security for circulation. The free banking system of New York was copied by many other states and with most disastrous consequences. One writer has described these banks as slot machines, into which a state bond was dropped and out of which came a lot of bank notes, and that appeared to be all the banking contemplated under the law. It is the confusing of the careers of the banks which sprang into existence under the terms of the free banking laws with the careers of the chartered state banks which has brought the latter into undeserved ill repute in the minds of many persons.

It must be conceded that the history of bank credit notes in the United States was an evolution from wrong to right principles as experience dictated, until there developed many sound institutions which, while employing various methods, had this in common—note issues based on commercial paper or general assets and coin reserves. In fairness, however, it should be remembered that it was not such issues, but those based on bond security, provided for in the "free banking acts," which gave to our country "wild cat" currency, and left the unfavorable impression which has so long persisted in the public mind. It is extraordinary that the lessons of the past are ignored by Congress when currency legislation is under consideration.

WITH BANKERS MAGAZINE ADVERTISERS.

A MAGNIFICENT NEW LINER.

THE Holland-America line recently put into service a new giant twin-screw steamship, the "Rotterdam," which adds greatly to the pleasure of trans-Atlantic travel for the patrons of that line.

The "Rotterdam" is a palatial steamship of 24,170 tons register and 37,190 tons displacement, ranking among the largest of the world's marine leviathans, unique and luxurious in its appointments.

All that the experience of many years has taught as being desirable, all that the combined genius and ingenuity of many countries have devised for safety and comfort, are embodied in this new "Rotterdam."

As great size and bulk are efficient aids for reducing rolling and pitching to a minimum, the following dimensions were determined upon by the builders of this ship:

Length	677 feet
Width	78 feet
Depth	56 feet

These dimensions allow a carrying capacity of upwards of 20,000 tons, which, together with the steamer's enormous bilge-keels, give an unusual amount of steadiness, and coincidently a corresponding freedom from sea-sickness on the part of the passengers.

The great width of the ship is a specially noteworthy feature, which provides remarkable spaciousness in all the passenger accommodations.

Two separate sets of quadruple expansion engines of more than 14,000 horse-power each enable the steamer to make about 18 knots an hour, a speed consistent with absolute comfort and with practically total absence of vibration.

The steamship is superbly furnished and equipped in every particular to provide for the pleasure, convenience, and safety of passengers. In addition to the great dining room, social hall, palm court, library, smoking room, terrace, staterooms and promenade decks, some of the special features are as follows:

The new "Rotterdam" has the upper promenade deck partly cased in on three sides with large windows, which may be opened and closed at will.

In order to facilitate communication between the different decks, an electric passenger elevator of the most approved pattern has been installed.

Safe-Deposit Vaults have been provided for the safe keeping of the valuables of passengers.

Communication may be established between the steamer and either the American or European shores or with other steamers by the Marconi Wireless Telegraph System.

A newspaper or bulletin is issued daily with news items received by wireless.

Submarine Signal-Receiving Apparatus by means of which the officers on the bridge in foggy or stormy weather may detect the presence of danger spots, land, lightship, or other ships at a distance of from 4 to 6 miles.

Eighty-seven rooms, accommodating one passenger each, have been provided. The number of rooms with private bath and toilet-rooms adjoining is 54. The bathrooms in the First Cabin alone exceed 100 in number.

SEPTEMBER IN THE MOUNTAINS.

IT is almost trite to speak of the glories of the mountains in autumn, but the beauty of the White Mountain region in September is a subject that it is impossible to exhaust. Touring in September is becoming increasingly popular with the growth of the use of the automobile, and there is no mountain region more accessible and more delightful than Bretton Woods. The Mount Washington and the Mount Pleasant at Bretton Woods offer a delightful objective point for tourists, and for those unfamiliar with that section Messrs. Anderson & Price, of the Bretton Woods Hotels, have issued "Routes to the Mountains in September," which it will be well worth the while of prospective tourists to send for.

NEW BURROUGHS BUILDINGS.

IN speaking of the new office building which the Burroughs Adding Machine Company is planning, one of the officers of the company remarked recently that there has never been a day in five years that some new addition to the Burroughs Factory has not been under way.

Since moving to Detroit, in 1904, the Burroughs plant has been undergoing a continuous series of enlargements, the company endeavoring to keep up production while carrying on extensions to care for a demand that has increased nearly three-fold since the present factory was built.

At the time of moving to Detroit, particular attention was paid to the offices, and the amount of space devoted to this purpose seemed extraordinary, sufficient to anticipate the natural growth of nine or

ten years at least. Since that time, however, in addition to the phenomenal increase in Burroughs sales, the company has undertaken many lines of educational work tending to familiarize the public with the work of the machine, and this expansion has made it necessary to borrow a considerable amount of space from the factory. On this account, work is now under way for the handsome new office building which will be of noble proportions and will provide three times the present office space.

At about the time the new office building was begun, several of the factory departments moved into a new addition containing 9,000 square feet of space which has been erected this summer. The present year, therefore, will show a total of more than 37,000 square feet of floor space added to the Burroughs plant.

SCISSORINGS.

UNCORRUPTED.

"I once spurned a bribe of $100,000," said the orator, naturally evoking a round of applause.

"Nay, friends, do not cheer," he continued. "It is the duty of all to be honest. Besides, the services demanded by the brazen scoundrel were worth double the money."—*Philadelphia Ledger.*

+

THE RULING PASSION.

The young man asked the banker
For his fair and only child;
The banker nodded gravely,
And then he grimly smiled.
Amazed, the young man heard him,
Reply in business phrase:
"I'll have to file your notice—
Come back in sixty days."
—*Cleveland Plaindealer.*

+

AUTOMATIC ATTENTION.

"A financier ought of all men to be a success on a farm."

"On a farm of all places. Why?"

"Because instinctively, he regularly waters the stock."—*Baltimore American.*

+

INFALLIBLE.

The only way a man can find the pen and ink at his house is to tell his wife he wants to write a check.—*Atchison Globe.*

+

MONEY-MAKERS.

"Gracious!" exclaimed the kind old lady to the beggar, "are they the best shoes you've got?"

"Why, lady," replied the candid beggar, "could yer imagine better ones fur dis bizness? Every one o' dem holes means nickles an' dimes to me."—*Philadelphia Press.*

A BORN FINANCIER

Mr. Isaacstein—"Maurice, I vas going to buy you a leedle bank to put your pennies in."

Maurice—"Buy it for leedle Shakey, unt led me pe der cashier."—*Judge.*

+

NOTHING TO HINDER.

The gilded youth had entered his father's bank to learn the business.

"Son," said the gratified banker, "I'm glad to see that you get here promptly at 9."

"I could get here even earlier, dad. Our club, you know, closes at 5."—*Washington Herald.*

+

A GOOD INVESTMENT.

"Bernstein paid out a t'ousand dollars for hiss son Ikie's education."

"Vas der money a good investment?"

"Yes. Ikie vent to work in a bank an' den runned off vit tventy t'ousand dollars!"—*Illustrated Sunday Magazine.*

+

BOTH OUT.

"The cashier seems to be out," remarked the visitor inquiringly.

"So does the bank," grimly responded the expert at work on the books.—*Philadelphia Public Ledger.*

+

YOUTHFUL ASSURANCE.

"When I was your age," said the stern parent, "I was accumulating money of my own."

"Yes," answered the graceless youth, "but don't you think the public was easier then than it is now."—*Washington Star.*

+

NOT ON THE LIST.

Knicker—"What is a necessary noise?"

Bocker—"A noise like a dividend."—*New York Press.*

THE NEW WAHL ADDING AND SUBSTRACTING ATTACHMENT OF THE REMINGTON TYPEWRITER.

THE announcement which has just been made, that the new Wahl Adding and Substracting Attachment of the Remington Typewriter is now ready for the market is one which will be received with great interest by our readers. This announcement is noteworthy because the new adding machine is the first one which has appeared as an attachment of a general writing machine, the union of the two constituting a combined mechanism which writes and adds on the same page--in fact, does either or both as the operator wills.

It will be seen at once that the advent of the new Wahl Attachment of the Remington is an event of special importance to banks, in fact, it could hardly be more so if the machine had been designed for their sole and special use. This is true because work which requires both writing and adding on the same sheet is a characteristic of a great part of the clerical work done in banks—more in fact than in any other line of business. Progressive bank officials have long recognized the great possibilities of time and labor saving in a machine of this character. They have watched with exceptional interest the development both of the writing machine and the adding machine and have foreseen the advantages, indeed the ultimate necessity of some practical combination of these two mechanisms.

Remington Typewriter and Wahl Attachment with One Totalizer.

One of the first things which will strike everyone about the Remington Typewriter with Wahl Attachment is the extreme simplicity of the combined machine, and the way in which both the writing mechanism and the adding mechanism perform their functions without any interference with the functions of the other. The fact that the machine will both write and add or *either* write *or* add expresses it all in a nutshell. No alterations whatever in the construction of the Remington Typewriter have been necessary in order to provide for the adding attachment. The latter is simply an attachment—always ready when needed—never in the way when not needed.

Another important quality results from this simplicity—namely, its perfect ease of operation. The operation of the new Wahl Attachment of the Remington is as simple as that of the typewriter because it is the operation of the typewriter. Anyone having any familiarity with the typewriter can operate the combined Remington-Wahl machine with equal facility.

Mechanically the adding attachment may be considered as consisting of two parts, namely the totalizer—or adding mechanism proper—and the actuating mechanism, which is operated by means of the figure keys of the typewriter itself. The totalizers are set on a truck or carrier, which is attached to the typewriter carriage and moves with it, the adding being done as the wheels of the totalizer pass over the master wheel of the actuating mechanism which operates only at one point, namely the writing point on the paper. The operation of the figure keys of the keyboard is the same as that of the letter keys. In both cases the character is written at the stroke of the keys. In the case of the letter keys the character is both written and added or simply written without being added, according to whether or not the wheels of the totalizer are in mesh with the actuating wheel. In other words if the figures are written in a column to be added they *will be* added and the total recorded in the register of the totalizer. If other figures, such as dates or quantities are written elsewhere on the sheet they will not be added, but will simply be written. Thus the machine combines the operation of both writing and adding or separates them, just as the operator wills.

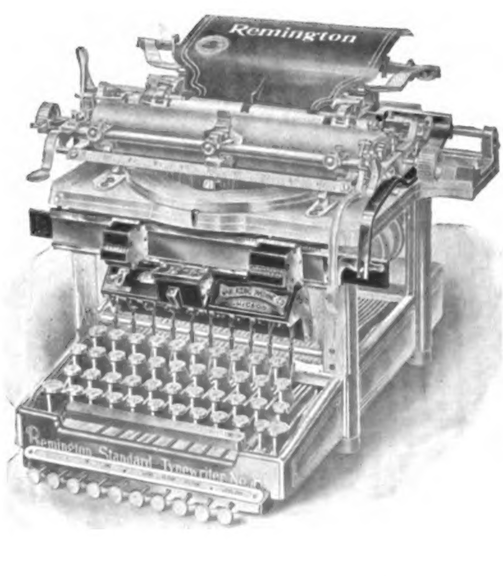
If it is desired to disconnect the adding attachment entirely, as when using the machine simply for writing, it may be done by a single movement of the disconnect lever. Another movement of this same lever reestablishes the connection.

Needless to say, since the operation of the adding attachment is simply the operation of the Remington Typewriter, the machine is very speedy. This speed is increased by the use of the Remington decimal tabulator with which machines equipped with the Wahl Attachment are always supplied. A single touch on a tabulator key always brings the carriage instantly to the exact point where figures are to be written and added without the necessity for any hand adjustments of the carriage. Another excellent feature of the new mechanism is the ease and quickness with which the totalizer can be adjusted to add a column of figures at any desired point on the paper. This adjustment is done in an instant, thus making the same machine available for writing and adding on a wide variety of different forms. Nor is the mechanism limited to the adding of one column of figures on each sheet. As many totalizers may be placed on the same carrier as the operator desires, in other words, as many separate columns of figures may be written and added on the same sheet as the paper is wide enough to hold. This capacity, taken in connection with the fact that Remington Typewriters may be furnished with any width of carriage, makes the machine available for any conceivable kind of form and tabular writing that is done in a banking office.

The error proof features of the new machine are among its most striking merits. Every means is provided by which operators' errors are automatically detected. The operator cannot tabulate figures incorrectly because when this is done the fact is revealed by the locking of the keys. Likewise the incorrect writing of a total is prevented because when such a mistake is made the register on the totalizer will not "clear." Thus the machine itself continually checks the work of the operator and insures its accuracy. The misoperation of the mechanism itself by a careless operator is also effectually prevented by the locking device which controls every adding key. It is mechanically impossible to add any amount other than the one printed.

A review of the merits of this new writing and adding machine would not be complete which did not include the subtracting feature. This feature is entirely new and unique on any adding mechanism, and is so important that it demands something more than a mere passing mention. The subtracting feature of the Wahl Attachment is simply a reverse mechanism, the small lever provided for the purpose operating on about the same principle as the reverse lever of a locomotive. When this lever is in the adding notch the machine adds; when it is shifted to the subtracting notch the machine subtracts; the same keys being always operated in the same way, whether adding or subtracting. The great practical utility of this feature will commend it to every user. Apart from these forms of adding into which subtracting must enter, as for example in making deductions or credits, the subtracting feature always serves one pre-eminently useful purpose, namely, in facilitating the correction of operator's errors. Where a wrong key is struck, say a "5" for a "4," all that is necessary is simply to subtract the overamount out of the totalizer, rewrite (without adding), the correct figure, reset the machine for adding and proceed. The immense practical convenience of such a feature on any adding mechanism will be fully appreciated in actual service.

Regarding the field for this machine in banks and banking offices, it is perhaps superfluous to say anything. The foregoing description will make its uses apparent to any banking official or in fact to anyone in any way familiar with the clerical side of bank work. The first use which immediately suggests itself is the writing of remittance letters. The time and labor saving which the Remington-Wahl machine makes possible in this work will be instantly apparent quite apart from all special considerations based on the speed and efficiency of the attachment. The mere fact that the combined machine both writes and adds at one operation



Remington Typewriter with Wahl Attachment and Two Totalizers.

on the same sheet, thus removing the necessity for two separate operations on two separate machines will of itself constitute a decisive factor of time saving. This same feature, namely the capacity to write and add on the same sheet, extends the advantages of the new machine in equal measure to the writing of collection letters, country bank statements, scratchers, officers' reports, statements to trustees and executors, and in fact to practically the entire range of clerical bank work.

One other important feature of bank work is check listing. This work of course requires the adding machine only. Nevertheless it is interesting to know that the Wahl attachment is perfectly available for this purpose and it is reasonable to expect that it will be widely used for check listing especially by smaller banks whose work would hardly necessitate a separate machine for check listing and another for remittance letters and similar forms of work.

From the foregoing account the importance of such a mechanism as the Remington Typewriter with Wahl Attachment will be self evident. It is a truism that the two greatest time and labor saving inventions in the conduct of modern business are the writing machine and the adding machine. The combination of the two has practically the merit of a third machine superior, or at least more general, than either of the others in its time and labor saving capacities. Nowhere in business are these advantages greater nor will they be more quickly appreciated than in banks.

BANKER RELIEVED OF PERSONAL RESPONSIBILITY.

SPEAKING of the proposition to guarantee deposits, George E. Roberts of the Commercial National Bank, Chicago, says:

What are likely to be the conditions in business when the public is no longer concerned over the management of a bank? The considerations which in the past have tended to safeguard the business would be gone. The public would care nothing for the personality of the banker. Instead of looking to the institution which received the deposits, the depositor would rely on an outside fund. A banker might bet all the deposits on horse races without that fact becoming a matter of any concern to his customers.

How would the conservative, prudent banker fare under these conditions? The legitimate reward for maintaining that character would be lost. He would get no deposits unless he bid as high for them as his rivals, for the government would stand behind the latter, and assure the public that they were just as safe as he, and tax him to make them so. In short, the reckless and incompetent people, who are now either excluded from the banking business, or held in check by the distrust which a discriminating public feels towards them, would make the pace to which everybody else in the banking business would be obliged to conform.

This Bryan plan proposed ignores the fundamental defect of our currency system, its rigidity. There is an actual need for more money to handle the business of this country in the fall of the year than in the other seasons, and the guarantee plan does not meet that demand. The advocates of the guarantee plan recognize no evil in the present situation but the evil of panic, when the fact is that panic is simply the last stage of the disorder. A panic marks the stage where the system finally collapses, but there is a costly strain which precedes and does not always come to a collapse. A panic comes only once in ten or fifteen years, but the strain and cost of our inflexible currency system, the curtailment of credits, the enhanced interest charges, the inadequate facilities for handling the business of the country, the burden upon the producers of the country, these come every year, and the guarantee of deposits offers no remedy. Instead of seeking to strengthen the banking systems and provide the means by which the banks may meet all calls upon them, whether those of panic or of legitimate business, this policy proposes that we continue to endure the annual evils of the most inadequate currency system in the world, and confine ourselves to an attempt to persuade depositors not to call for their money.

Give the bankers of the United States an institution behind them like the Bank of France or the Bank of Germany, and they will meet all demands upon them whether prompted by panic or otherwise. This is the real remedy for existing ills.

COMMODITY CLAUSE DECISION.

AGAIN the courts have shown that they can be relied upon for the protection of property rights. The decision of the United States Court of Appeals holding the commodities clause of the Hepburn bill to be unconstitutional is the most important court decree since the decision overturning Judge Landis' $29,000,000 fine. It is intended to establish right relations between carriers and producers. But to apply that principle to conditions which have developed through many years when this principle was not recognized would be to disrupt systems, destroy in some cases the security underlying bonds and thus confiscate property rights. Moreover, the clause, as framed in the Hepburn bill, was manifestly unfair in that it discriminated against coal in favor of lumber. The court comes to the defence of the coal roads and the investors in their securities, and the decision is to be highly commended. It is unfortunate that one of the judges disagreed with the majority of the court, and, of course, there will be an appeal to the Supreme Court of the United States, thus delaying the final adjudication of the matter. The rest of the Hepburn law is apparently not involved.—*Wall Street Journal.*

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

HORNBLOWER & WEEKS, BOSTON.

ON Thursday, August 6th, the twentieth anniversary of the founding of the Boston banking house of Hornblower & Weeks was celebrated and on that date the firm occupied its new building at the corner of Congress and Water streets, in that city.

Many changes have taken place in Bos-

Banking House of Hornblower & Weeks, Boston.

ton since 1888, when Henry Hornblower and John W. Weeks, under the new name, undertook the continuation of the business of Hornblower & Page in a small office on State street, with one clerk, James J. Phelan, as assistant.

The growth of Boston as a financial center is in no manner better expressed than by the changes in the banking district, and so Hornblower & Weeks have in their new location become an important part of that section which is centering around the Federal building and Post-Office square.

Henry Hornblower.

In order that one may more fully appreciate all that is behind this recent move on the part of Hornblower & Weeks, one could do no better than take the time to become somewhat acquainted with the personnel of the firm itself. Success in the banking business depends to a greater extent than in any other line of activity upon the character of the men making up the firm. Bankers play a large part in the grouping of the economic factors necessary to modern progress, and are therefore, if they would be successful in their undertakings, constantly on the watch to see that nothing happens to disturb the confidence of the public. That the success of Hornblower & Weeks is altogether due to the substantial character, personal integrity and progressive policy of the individual members of the firm is a fact well known to anyone acquainted with the financial history of Boston.

The firm was organized on August 6, 1888. The reason for its formation was the fact that Mr. Page, of the firm of Hornblower & Page, having died in the spring of that year, Mr. Hornblower, the father of the present firm member of the same name, being well advanced in years, was desirous of turning the business of the house over to younger men. Therefore his son, who had been a bookkeeper of the old concern, was joined by John W. Weeks in the new firm of Hornblower & Weeks, and beginning where the older concern left off, built up the present prosperous business. The business of the firm was conducted from the start in a modest manner in one room of the old Stock Exchange building, with Mr. Phelan, now a member of the firm, as clerk. From the beginning, a high standard of conducting the business was adopted. When the old Exchange building was torn down, the firm moved to the Merchants' Bank Building, then on Devonshire street, where it remained for five years, returning to the new Exchange building in 1894, where it occupied a large suite of offices on the second floor, which later, business increasing, was expanded to include numerous rooms on the third floor.

Hon. John W. Weeks.

Henry Hornblower was born in Lawrence, Mass., but now resides in Arlington, where he is a director of the First National Bank. He has been a member of the Boston Stock Exchange since 1888 and was elected to a place on the Governing Board in 1901 and

is to-day vice-president of the Exchange. He has always confined his attention closely to the business of the house, engaging very little in outside activities.

The work of John W. Weeks, not only as a banker but as a public-spirited gentleman, has been notable in many ways. He was born in Lancaster, N. H., in 1860. At 17 he was appointed as a cadet at the Naval Academy at Annapolis, graduating in 1881, and remained in the navy until 1883. Mr. Weeks was for two years Land Commissioner of the Florida Southern Railway, occupying that position until he came to Boston as a director and vice-president of the Central Massachusetts Railroad; was later president of the Massachusetts National Bank and is now a director and first vice-president of the First National Bank of Boston, the successor of the Massachusetts National. He has also been president of the Newtonville Trust Co., has served as mayor of Newton for two terms and at the state election in the fall of 1904 was chosen by a very large majority to succeed the Hon. Samuel Powers as representative of the Twelfth Massachusetts district in Congress.

During the Spanish War, Mr. Weeks offered his services, which were promptly accepted, and as he was at the head of the Massachusetts Naval Brigade at the time, was appointed to the command of the Second Division of the Auxiliary Navy. He was appointed by Governor Wolcott, as a member of the Military Board of Examiners from 1894 to 1900, and was later appointed by President Cleveland in 1896 as a member of the board of visitors of the United States Naval Academy. Mr. Weeks' career in Congress has been marked by the advocacy of many measures of sound judgment. He has served on the Committee on Banking and Currency, Committee of Agriculture, and Committee on Expenditures in the State Department, being chairman of the last named committee. The work of Mr. Weeks in the direction of sound currency in the recent Congress has received no better tribute that that accorded by Mr. Francis B. Sears at the annual convention of the Massachusetts Bankers' Association this summer, when in a speech Mr. Sears stated that Mr. Weeks was entitled to the gratitude not only of his constituents, but of the whole country, and is worthy of a place with Hugh McCullough, Daniel Manning and Lyman J. Gage, bankers, whose administration of the affairs of the Treasury Department has commanded the confidence of the country.

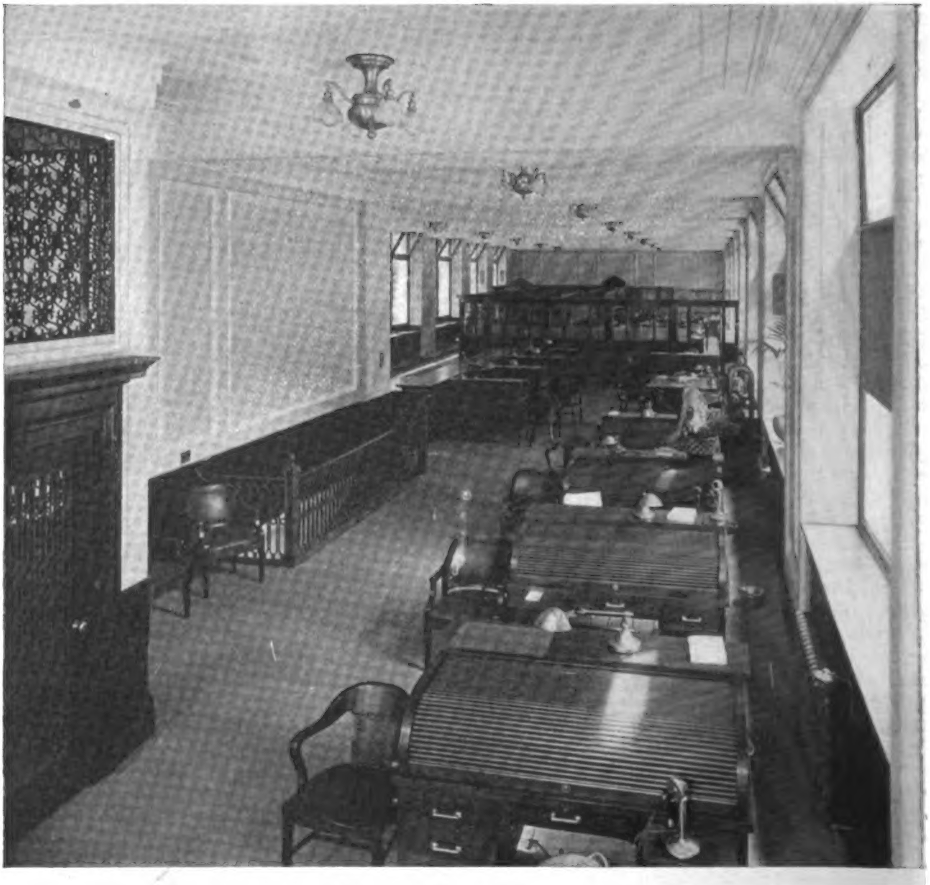
Mr. Weeks is also a member of the National Monetary Commission which was appointed by Congress under the provisions of the Aldrich-Vreeland Bill and has an important position on the commission, being vice-chairman of the sub-committee which was headed by the late Senator Allison. The work of this sub-committee will have special relation to the administrative laws of the National Bank Act, and it is the intention of the commission to bring in a bill at the next Congress which will embody the many needed changes in the law with reference to inspection and the general bringing of the law up to date. Mr. Weeks is a member of a number of clubs and several patriotic societies, including the Society of the Cincinnati.

The other members of the firm are James J. Phelan, James H. Wainwright, Edward L. Geary, Andrew S. Woods and John W. Prentiss.

James J. Phelan.

Mr. Phelan is well known to everyone on the Street, having grown up, so to speak, with the firm of which he is now a member. He was admitted in 1899 and has been a member of the Boston Stock Exchange since 1897, and is also vice-president of the Federal Trust Co. of Boston, director of the Peoples National Bank, trustee of the Union Institution for Savings, member of the Chicago Board of Trade, member of the Boston Chamber of Commerce, serving on the Gratuity Fund committee, and a director of the Massachusetts Bonding and Insurance Co., serving as chairman of the Finance Committee.

Mr. Wainwright and Mr. Prentiss are the New York members of the firm. Mr. Wainwright is a member of the New York Stock Exchange and became a member of



Main Banking Room.

the firm in 1903 when Mr. Geary was admitted. Mr. Weeks was a member of the New York Stock Exchange from 1891 to 1903, when he transferred his seat to Mr. Wainwright.

Andrew S. Woods and John W. Prentiss were admitted to the firm on Jan. 1, 1906.

The building itself in a modern, six-story, stone structure, with steel frame and light Bedford limestone facing. The outside has been treated with almost severe simplicity, the object of the architect being to attract attention not by an abundance of decoration, but rather by the absence of it.

On examination the building presents a structure of straight, well proportioned lines and spaces, which depend for their artistic effect on nothing else but symmetry, with only the corniced top of the sixth story bearing anything like extensive ornamentation.

The design has most successfully supplied a large amount of natural light, which is available on three sides, being quite a distinctive feature in a modern office building.

The main entrance at 60 Congress street is through a high doorway, furnished with tall, old English oak doors. Through the vestibule, past the elevators, along a short corridor and one is in the public space of the main banking room, which covers the entire first floor of the building. This room is as large as if not larger than any other banking room in Boston. The decorative scheme is another expression of simple, dignified taste, the effect being brought out in the method, application and design of the permanent fixtures of the room itself, making a harmonious appearance.

The walls are wainscoted in an African mahogany and tinted to the ceiling in French grey. The ceiling is paneled in low-relief with straight mouldings. The mahogany counter rests on a base of marble and is a beautiful piece of cabinet work, as is

the rest of the furniture of the room. The room is in fact without any of the usual embellishment, at the same time not even the dark grille which encloses the clerical department is sufficient to destroy the general sense of harmony and good taste which has been accorded in the treatment of the room.

The front of the room is given over to the desks of the firm members, which rest upon a cork carpet of a most agreeable hue. From this part of the room an elevator leads to the directors' or consulting room in the basement. The remaining open space of the first floor is utilized by the bond and note departments, the desks and chairs, electric light fixtures, telephones and pneumatic tubes, all designed to match the rest of the room. Beyond, behind the gratings, come the departments of the cashier and stock clerk, the departments for comparison, delivery and bookkeeping, each of which is fitted with straight lined mahogany furniture and steel fittings.

In the rear of the main banking room is a room unique in banking houses of this city, it being a room set aside for the use of customers for the purpose of holding trustee, corporation directors' meetings, etc. The room is well located and handsomely fitted. A soft, green, Turkish carpet harmonizes with the rich mahogany chairs and writing tables, while the metal fixtures give brilliancy to the room.

The principal features of the second story are the board-room and customers' room connecting. It is in this part of the building that the excellent natural light comes into full play. The board-room with its long quotation board, twenty-five feet in length, the longest with one exception in Boston, and the longest given over exclusively to general stock quotations, is something which stock operators will appreciate. The board itself is a fine piece of work, with its special lighting apparatus, and surmounting electrically operated clock, which ticks the time direct from Washington.

The room is replete with conveniences for the use of the customers of the house and includes tiers of specially designed chairs, locker apartments, telephone booths, telegraph news ticker, news services, pneumatic tubes and in fact everything conducive

Board Room.

to the comfort and intelligence of those interested in the markets

Next down the corridor comes the wire room, which is separated from the customers' room by a glass screen. In this room are found the telegraph instruments and telephones which connect with the stock exchanges in Boston and New York, as well as the out-of-town offices of Hornblower & Weeks in New York, Chicago, Salt Lake City, Pittsburgh, Hartford, New Haven, Providence and Newport. This wire room is of vital importance, as is the case in all well conducted brokerage and banking houses, containing as it does the nerve centers of the entire establishment.

Then comes the room of the telephone central station, from which connection is not only made with every desk in the use of the concern, but carries the outside regular and long distance service necessary to the business.

Directly beneath the main room, on the ground floor, is a directors' room, reached by a private elevator and by a private staircase from the main office. The directors' room is reserved for weekly conferences of the firm members and heads of departments. Easily reached from this room, also, is a private bath room, and a dining room and electric kitchenette.

Probably the most interesting portion of the basement is the gigantic power room which opens into a subterranean turret. Powerful motors, with their shining brass accoutrements, way down in the bowels of the earth, seemingly, constitute what is probably one of the largest and best equipped engine rooms in Boston. It furnishes power to both No. 50 and No. 60 Congress street, and is in most interesting contrast to the finish and veneer of the floors above.

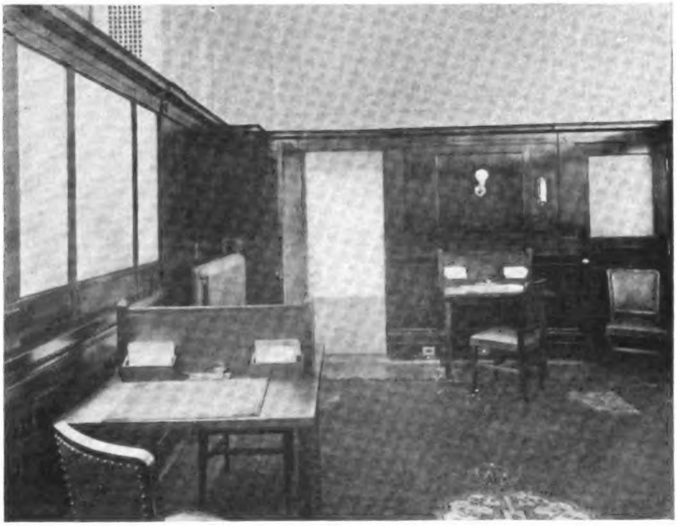
On the opposite side of the basement is for employees, a lunch room and several private offices. Also, and this most essentially, there is a large vault room where are located the safety boxes and vaults for the keeping of securities and moneys. It is admirably equipped, rigorously suggestive of strength and security.

Committee Room.

Book lifts connect with the bookkeeping and cashier departments, and beyond it all is a mailing department, where will be handled the immense correspondence which features a modern banking house.

From the basement, any floor in the building is reached by powerful elevators, of the plunger type, which make their impression at once for ease and safety of travel. One artistically bent, however, might use the semi-spiral staircase, with its homelike finish, to reach the second floor, where the same general scheme is carried out on a smaller scale. There is marble wainscoting and mahogany finish, but here especially is emphasized what one notices only incidentally in the wealth of noticeable things on the

ground floor—namely, the extensive means adopted for ventilation. Just as every room in the building is admirably lighted, so is it admirably ventilated. Inserted in the walls throughout the building are fresh air stacks which remove the foul and supply private offices are fitted up, so far as the bare finish is concerned, to be prototypes of the rooms which the firm itself occupies. Here, as below, lighting and ventilating facilities feature the rooms; only even more so, for above the second floor the broad



Customers' Rooms.

fresh air. By both direct and indirect radiation the temperature of the rooms is kept at a most comfortable point. Every room in the upper stories shows the effect of this preparation.

The upper stories of the building are given over to tenants. Banking rooms and daylight reigns supreme. Elevator connections and service are complete in every detail, and everything connected with the offices above the second floor but serves to top off splendidly the admirable features of the entire building.

Judging the entire mechanism as it is in-

stalled in the new building of Hornblower & Weeks, from the standpoint of its adaptability for the banking and brokerage business it can be safely said that there is nothing more complete in Boston.

The members of the firm express the keenest appreciation of the work of Mr. Henry N. Sweet in getting together the properties of the new building and the development and completion of the enterprise. The almost countless details were entirely in his hands, and through his careful and able co-operation with those actually engaged in the work of construction the entire work was accomplished with a minimum of confusion and to the entire satisfaction of all concerned.

Clerical Department.

THE FOURTH NATIONAL BANK, NASHVILLE, TENNESSEE.

"FORTY Years in the Life of a Great Bank" is the appropriate title of a handsome booklet just issued by the Fourth National Bank of Nashville, Tennessee.

This bank was organized under its present name, February 16, 1867, just two years after Appomattox, while the desolation wrought by the havoc of war spread like a pall over the states of the South.

By reason of the fact that there were already three national banks in Nashville, all doing a good business, the beginning of the Fourth National was through force of circumstances inconspicuous, but at the end of its first year of existence its deposits were $345,605.75 and they continued to grow at a rapid rate.

In its life of forty years the bank has had but two presidents and four cashiers, a remarkable record demonstrative of the excellent judgment displayed by the board of directors in selecting its officers. The first president was Judge James Whitworth and the first cashier John Porterfield. S. J. Keith, who is now the honored and distinguished head of the institution, has been its chief executive since 1882, succeeding Judge Whitworth at that time. The fourth and present cashier is J. T. Howell.

On July 1, 1907, the Fourth National removed from its temporary quarters at 228 Third avenue, North, to a magnificent home in the Stahlman Building, a brief description of which follows.

Passing through the massive bronze doors we enter the main banking room. At the left are the officers' quarters, immediately adjoining which is a consultation room, which is also used as the daily meeting place of the Finance Committee.

On the right after entering is the ladies' reception room, which is beautifully fitted up in mahogany. It is bright and airy and in every way suitable for the purposes for which it was designed.

Across the lobby from the ladies' reception room is the ladies' teller, a desk recently created for the convenience of the lady patrons of the bank. At this desk deposits will be received and checks paid to ladies only, and its location, within a very short distance of the reception room, will prove a great convenience to those having business in that department.

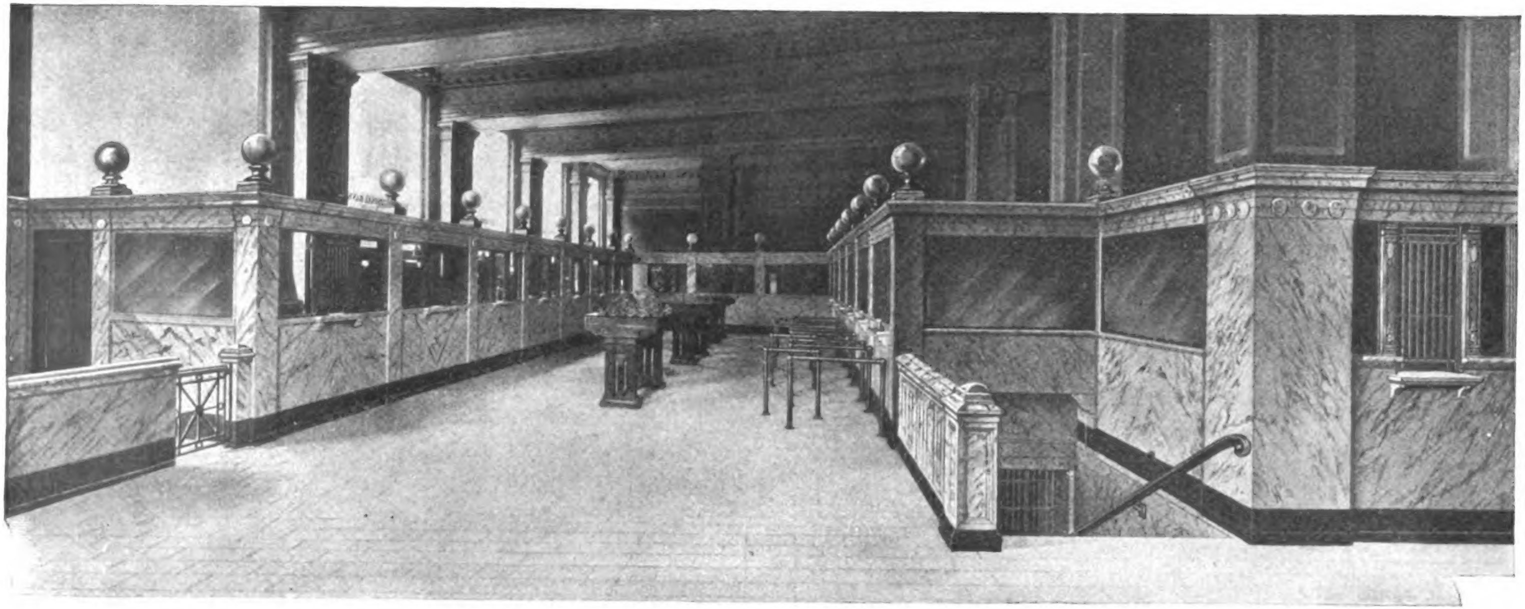
The bank screen forms three sides of a rectangle, the lobby for the public being in the center, and the desks for the employees on the inside and next to the walls of the building.

The floor of the room is of marble blocks, and the screen of Italian veined marble, bronze and plate glass. The fixtures are of the highest quality, the workmanship beyond criticism, and the general plan and arrangement most artistic and effective.

Leaving the main banking room we descend a marble stairway at the foot of which there is a massive iron gate. Passing through this we come to the safe deposit vault, a masterpiece of strength and solidity. The door to this burglar and fireproof place of safety for the valuables which are deposited in safe deposit boxes, is circular, and a wonderful piece of mechanism. It weighs with its hinges 40,500 pounds, and yet is adjusted so perfectly and to such an exquisite degree that a child can easily move it.

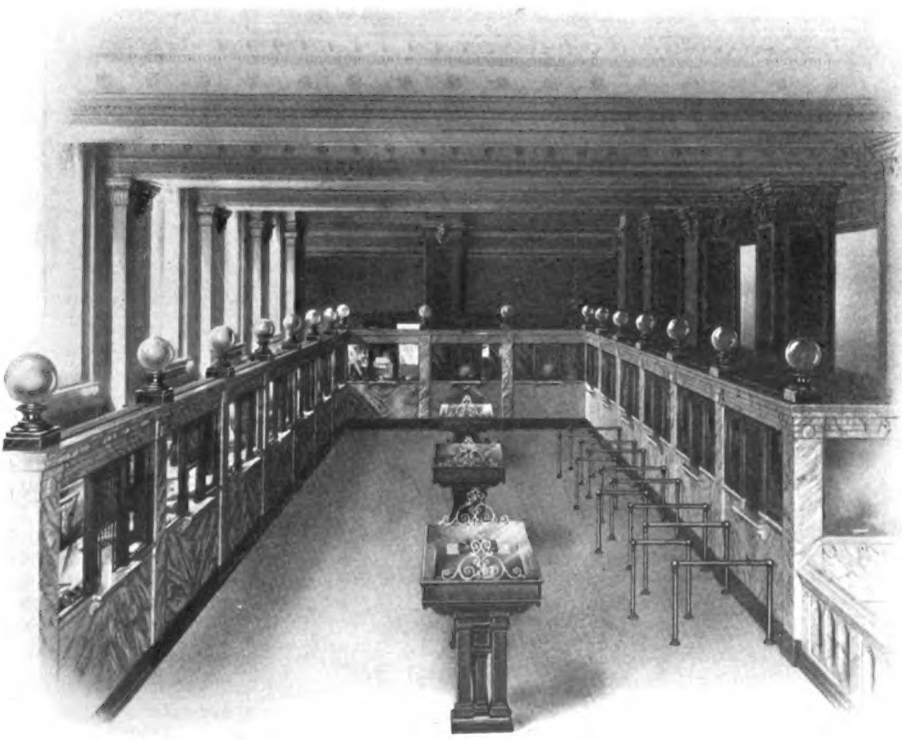
Here also are to be found the book vaults, coupon booths, and the dining room for use of the employees, complete to the smallest detail.

The Bank's New Home.
THE FOURTH NATIONAL BANK, NASHVILLE, TENNESSEE.



Interior View — Main Lobby and Stairs Leading to Vaults Below.
THE FOURTH NATIONAL BANK, NASHVILLE, TENNESSEE.

Directors' Meeting Room.



Interior View, Showing the Bronze and Marble Screen and Customers' Desks.

THE FOURTH NATIONAL BANK, NASHVILLE TENNESSEE.

A PROGRESSIVE BANK OF THE NORTHWEST.

AMONG the western financial institutions of the country that have kept pace with the rapid industrial and commercial expansion of that growing section known as the Pacific Northwest, the Old National Bank of Spokane, Wash., is a notable example. It has a paid-up capital of a half million dollars, and is owned and controlled by some of the strongest and best-known men of the northwest.

The names composing its board of directors are those of men who have had an active part in the development and upbuilding of Spokane and the surrounding country, and by reason of their well known financial responsibility and conservatism have earned for their bank the reputation of being one of the strongest financial institutions in the west.

Description of the Building.

It is commodiously housed in its own home, known as the Marble Bank Building. This is a structure a story and a half high, built entirely of Vermont marble. The banking room proper occupies the entire main floor, the spacious lobby being surrounded on three sides by cages and officers' desks. The room is lighted from above by a large stained glass dome, and its beauty is in no way marred by any unsightly pillars or other ceiling supports. The woodwork and all furniture and fixtures are of select mahogany and of the latest design. The frescoing is especially noteworthy, some of the lunettes representing typical western scenes, while others are symbolical of western industries, such as mining, agriculture, etc. One feature of the bank's equipment is a ladies' department, a separate room being provided for women customers, and a separate window, where their wants are attended to.

Bronze Statue and Customers' Check Desk in the Main Lobby.

A Corner of the Marble Bank Building, Showing entrance into Basement occupied by the Union Trust Co., Spokane.

In the basement are the bank's book and stationery vaults, a locker room for employees, and a reading room where current financial papers are on file, and where the meetings of the Old National Bankmen's Institute, an organization of the employees, are held.

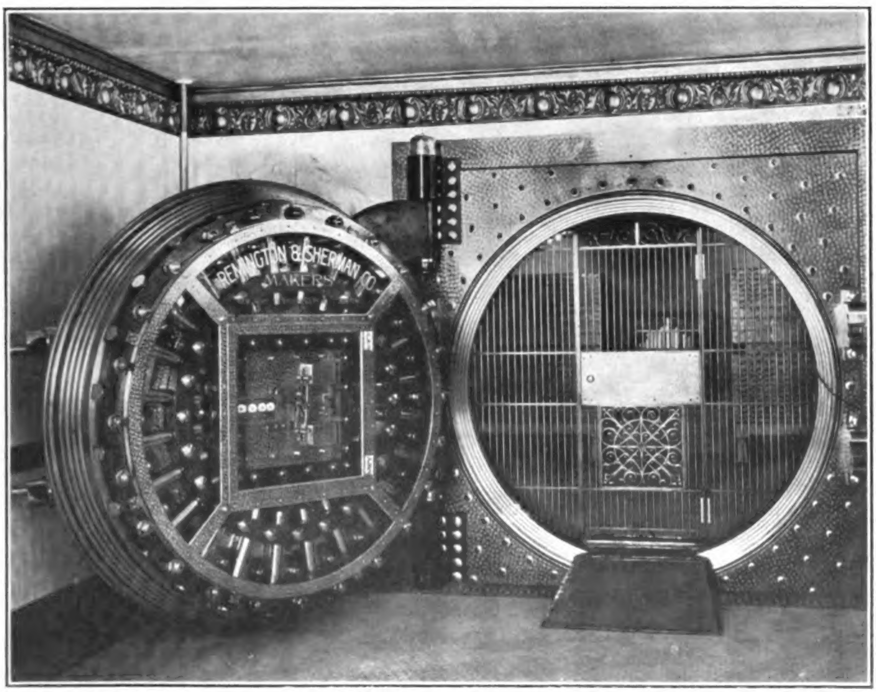
History and Management.

The Old National Bank was established in 1891, with a capital of $200,000 which

Interior View. Showing Beautiful Art Panels.

subsequently was increased to $500,000, it being the first bank in the state to have a capital of that sum. The bank's line of deposits in 1902 stood at a round million dollars. In 1905 it was $3,500,000. To-day it is over $6,500,000.

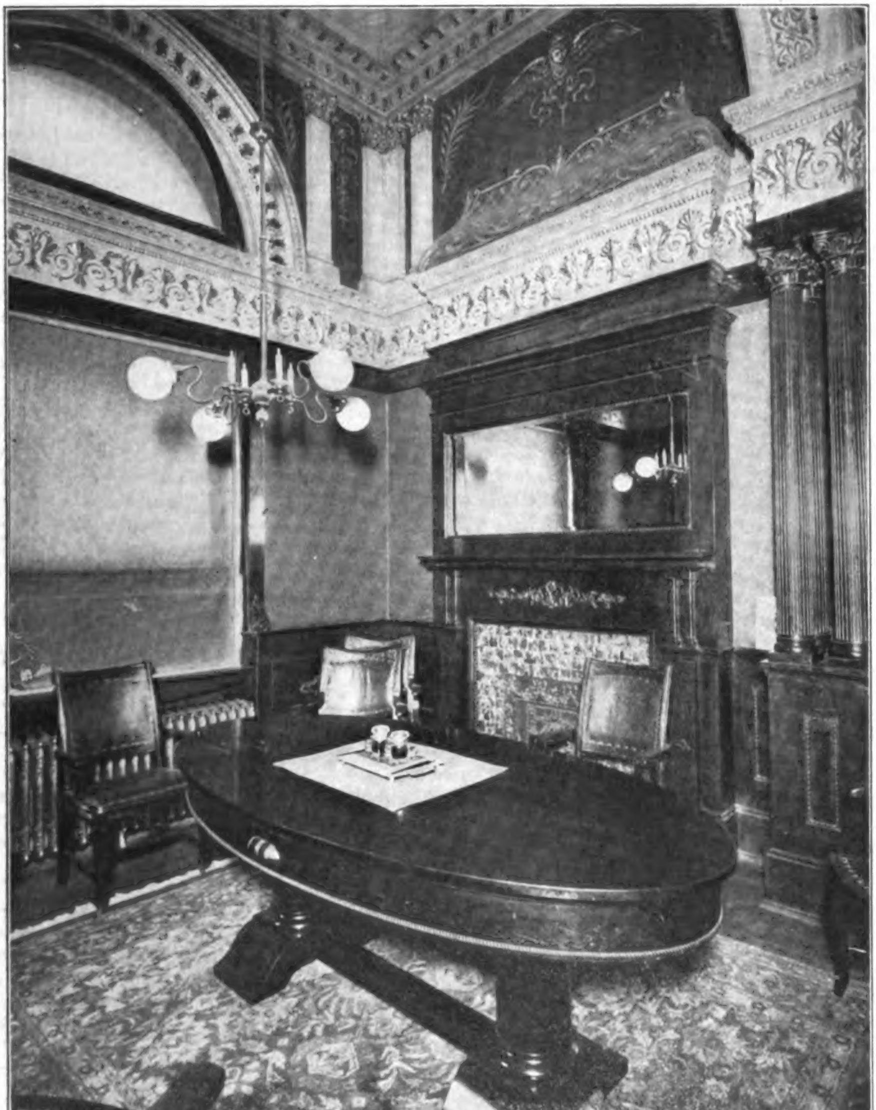
The officers and directors are: President, D. W. Twohy; vice-president, T. J. Humbird; cashier, W. D. Vincent; assistant cashiers, W. J. Kommers and J. A. Yeomans. Directors: Levi Ankeny, J. D. Farrell, T. J. Humbird, T. L. Greenough, J. P. McGoldrick, James C. Twohy, Thos. F. Wren, W. D. Vincent and D. W. Twohy.



Massive Door and Vault.

OLD NATIONAL BANK OF SPOKANE, WASHINGTON.

Officers' Quarters.
OLD NATIONAL BANK OF SPOKANE, WASHINGTON.



Directors' Room.
OLD NATIONAL BANK OF SPOKANE, WASHINGTON.

MONEY, TRADE AND INVESTMENTS

NEW YORK, September 2, 1908.

A FURTHER ADVANCE in the stock market last month has awakened considerable discussion as to the influences which have carried prices of securities in a majority of cases to the highest point reached during the year. That manipulation was responsible for the extraordinary advance has been frequently alleged, yet a remarkable happening on Saturday, August 22, disturbed somewhat that theory.

On that day during only two hours of business, more than 1,100,000 shares of stock were dealt in at the New York Stock Exchange. Transactions of such a magnitude, under the circumstances are without precedent, but the explanation came later when the failure of a large brokerage concern was announced. The great bulk of the trading of that memorable day was traced to that firm which had attempted a *coup* to cover an extensive line of "shorts," and signally failed.

The disclosure of an extensive manipulation on the short side, however, does not establish the legitimacy of the advance which has occurred in the last few months, and in financial circles there is extreme conservatism regarding the future.

The general situation has changed very little and whatever improvement has occurred has been of limited proportions. An increase of 125,000 tons in pig iron production in July over June is one favorable incident, but the fact that the output was 1,000,000 tons less than in July, 1907, shows how limited has been the recovery in that particular industry.

More favorable are the reports of unemployed cars which are earning no money for the railroads. The latest statement shows that on August 19 there were 252,149 idle cars which compares with 280,986 on August 5, and with 308,171 on July 22, a reduction of 28,837 in two weeks and of 56,022 in four weeks. On April 29 there were 413,338 cars lying idle, since which time there has been a reduction of 161,189 or nearly 40 per cent. The advent of the crop moving season will explain much of the improvement in this case.

An interesting summary of financial, commercial and industrial conditions drawn from a correspondence with over four thousand bankers and business houses in the west and south has just been published by the Commercial National Bank of Chicago. The views it presents are of significant importance.

The reports obtained concerning the crops make the indicated wheat yield this year 60,000,000 bushels less than that suggested by the Government figures. This would make the total only about 632,000,000 bushels as compared with 634,000,000 last year's yield.

The corn crop is estimated at 2,623,000,000 bushels or 42,000,000 bushels less than the Government estimate, and the oat crop at 742,000,000 bushels as against 873,400,000 bushels indicated by the Government August report. The cotton crop is conceeded to be large, probably 13,000,000 bales. These estimates of the grain crops will be disappointing.

As to the general trade conditions, the paper referred to says that "stocks are now depleted in all lines and in all hands from the manufacturer to the country store." With the harvesting of the crops the replenishing of stocks will begin and activity in trade may be expected this autumn. As to 1909 the paper says: "The signs decidedly favor the opinion that next year's trade will be of satisfactory volume in all mercantile lines." Such an opinion from so authoritative a source will merit due consideration.

That the country is still feeling the effect of the disaster of last year, which checked activity in all lines of industry, is plainly evident. It is shown in the reduction in earnings of the railroads, although the latest returns are in some directions bringing a little encouragement.

The compilation of the "Financial Chronicle" shows that the gross earnings on 202,322 miles of roads in the first six months of 1908 were $189,000,000 or 16.80 per cent. less than in the first half of 1907. For the seven months ended July 31, the earnings on 82,225 miles decreased $75,000,000 or 17.18 per cent. The net earnings have also suffered a serious decrease, but some progress has been made in reducing expenses and a better showing is looked for in the immediate future. The losses which the railroads have sustained may be indicated in a single example, the Pennsylvania,

which in the first six months of 1908 lost over $26,000,000 in gross earnings and $5,600,000 in net earnings.

The wage earning classes have felt the effects of the depression in business, in a loss of employment and in earning power. The report of the New York Superintendent of Banks shows that during the year ended June 30, 1908, the amount deposited in the savings banks of the state was $364,000,000 or $35,000,000 less than in the previous year while the amount withdrawn was $430,000,000 or $41,000,000 more than in 1907. The withdrawals exceeded the deposits $66,000,000. Immigration figures also indicate the retrocession that has taken place in business. In July only 27,570 immigrants arrived in this country as against 97,132 in 1907, while 51,662 departed from the country as against 39,072 in 1907. In the seven months ended July 31, 1908, 220,226 arrived and 442,138 departed, a net loss of 221,912. In the same time in 1907 841,084 arrived and 208,218 departed, a net gain of 632,866. Here is a difference of 854,000 in seven months.

Bank Note Circulation.

The cheapness of money is at the present time the most striking feature of the situation. Several times during the month call money was quoted at ¾ per cent. Still there are indications that money will become dearer as calls are made upon New York to supply the interior with funds for crop moving purposes. Late in the month the first transfer of funds to New Orleans was made through the New York Sub-Treasury.

There is nothing at present to indicate any importation of gold from abroad, although an advance in rates here, while money continues cheap abroad, would bring gold here. Any large movement of gold this way will unquestionably be resisted abroad.

The money situation as reflected by the local bank statements is exceptionally easy although the customary demand for funds to move the crops may at any time cause a stiffening of rates for money. The change in the banking conditions of this city have been of a most extraordinary character. Deposits have increased and reserves have accumulated in a manner wholly unprecedented. Prior to the panic of last year the highest point deposits reached was $1,128,000,000 on June 1, 1907. That was $161,000,000 more than the total on December 15, 1906. They fell to $1,023,000,000 on October 26, 1907, when the panic was at its height. They were $65,000,000 larger on November 23 when the banks reported the largest deficit in their history, $54,000,000. On August 29 the deposits were reported at $1,394,000,000 or $371,000,000 more than on October 26 last year.

The present total exceeds by $266,000,000 the largest amount recorded prior to last year's panic. The reserves fell to below $216,000,000 last November and now amount to $114,000,000, an increase of nearly $200,000,000. They are $120,000,000 more than were held on June 1, 1907, before the panic set in. Loans on the other hand are only $202,000,000 more than on October 26 last and only $102,000,000 more than on November 23. Here are shown the changes in loans, deposits, reserves and surplus on the dates mentioned, from June 1, 1907, to Aug. 29, 1908.

There are some striking points of difference in the experience of the banks following the panic of 1907 and that which followed the panic of 1893. For more than a year prior to the latter event deposits and reserves had been declining. On August 19, 1893, deposits were $173,000,000 less than on June 18, 1892, and reserves had fallen between those date from $158,000,000 to $80,000,000. The banks reported a deficit of $16,545,000 on August 12 and of $12,045,000 a week later. On February 3, 1894, less

NEW YORK BANK CHANGES 1907-1908.

	June 1,1907.	Oct. 26, 1907.	Nov. 23, 1907.	Aug. 29, 1908.
Loans	$1,139,931,100	$1,087,711,000	$1,187,998,400	$1,289,795,600
Deposits	1,128,194,600	1,023,772,000	1,079,818,800	1,394,617,300
Reserve	294,831,100	254,709,700	215,851,100	414,013,300
Surplus	12,782,450	*1,233,300	*54,103,600	65,608,975

* Deficit.

NEW YORK BANK CHANGES 1892-1894.

	June 18,1892.	Aug. 19, 1893.	Feb. 3, 1894.	Nov. 3, 1894.
Loans	$496,564,000	$406,540,200	$419,530,500	$500,277,200
Deposits	543,663,100	370,302,400	551,808,400	595,104,900
Reserve	158,699,600	80,529,800	249,575,100	211,980,500
Surplus	22,783,825	*12,045,800	111,623,000	63,204,275

* Deficit.

than six months later, deposits had increased $181,000,000 from the panic low figure, but were only $8,000,000 above the amount reported on June 18, 1892.

The cash reserves however accumulated rapidly and reached nearly $250,000,000, or $169,000,000 more than in the panic and $91,000,000 more than in June, 1892. The surplus reserve went up to $111,623,000, the highest ever recorded. The cause is apparent in the increase in loans of only $13,000,000 from the panic figures.

Between February and November, 1894, suance of that law on September 10, 1907, $40,000,000 of 4½ per cent. bonds were sold at a price barely above 102. This for a city which at one time was placing its 3½ per cent. bonds at a price above par, indicated the financial stress which then existed. The 4½ per cent. bonds which the city sold at par a year ago are now selling at 110 or higher, while better than par is offered for the 4 per cents. Other bonds of high grade have also been in demand at advancing prices, marking an improved sentiment on the part of investors.

NET GOLD IMPORTS

	September.	October.	November.	December.	Total 4 months.
1893	$5,242,083	$1,072,919	$4,163,817	*$1,864,655	$8,614,164
1894	467,895	593,685	1,550,773	*9,370,533	6,758,180
1895	*16,506,558	123,352	*13,255,640	*14,067,838	*43,706,684
1896	34,253,456	27,825,762	7,019,290	2,369,216	71,467,724
1897	4,580,259	11,462,172	2,354,576	2,004,409	20,401,416
1898	13,705,531	15,458,427	4,411,134	7,537,544	41,112,636
1899	1,974,899	8,162,502	2,639,733	*6,237,265	6,539,869
1900	7,054,981	10,289,413	11,964,781	2,976,078	32,285,253
1901	11,742,069	5,071,891	*8,860,822	*1,952,601	6,000,537
1902	4,451,101	9,657,617	5,261,412	*666,476	18,703,654
1903	4,186,782	4,673,859	10,377,540	15,765,642	35,003,823
1904	1,496,587	4,189,626	*16,086,338	*10,166,643	*20,566,768
1905	4,130,788	10,411,436	4,065,472	1,360,349	19,968,045
1906	29,152,116	20,176,308	6,971,517	5,736,342	62,036,283
1907	1,255,183	796,208	62,959,702	43,444,074	108,455,167
Average	$7,145,811	$8,664,345	$5,702,463	$2,457,843	$23,970,462

* Exports.

loans and deposits increased, the latter only $43,000,000 however, and reserves decreased, the surplus on November 3 being down to $63,000,000. The deposits on that date amounted to $595,000,000, but not until June, 1897, nearly three years later, did they go above that sum. A table is presented here showing the movements in these bank items between 1892 and 1894.

A study of the changes disclosed in the two tables will suggest that far more favorable conditions now exist than those which followed the panic of 1893. In the three years following that panic there seemed to be a condition of dry rot. Business was depressed in all lines, and money was in little demand. From present indications a revival in business activity will not be as long delayed as was the case after 1893.

One significant event which occurred last month was the purchase by a prominent banking house of $5,000,000 of New York city 4 per cent. bonds at par, from the City Comptroller. A year ago the city was unable to sell its 4 per cent. bonds at par and the state legislature found it necessary to enact a law authorizing the issue of bonds at a higher rate than par. In pur-

There has been some consideration of the probability of gold exports during the latter part of the year. All discussion of the question at the present time must be in a degree speculative. We approach a period when exports of food products and cotton may be expected to be large. With imports normal or below normal as they are now trade balances would tend to stimulate gold imports. A record of the net gold movement in the last four months of the 15 years since 1893 is appended.

In the 15 years gold imports during the four months have reached nearly $360,000,000. September, October and November have usually been importing months, while December has frequently witnessed heavy exports.

The conditions in our foreign trade are still such as to give little encouragement. In July imports showed a decrease of $38,000,000 as compared with those of the same month in 1907 and exports a decrease of $25,000,000. July is usually a lean month for exports while December is a heavy export month. Last December the exports were $207,000,000, while in July this year they were $103,000,000. Between the corre-

sponding dates in the previous year the decrease was from $190,000,000 to $128,000,000, and in 1906 from $199,000,000 to $111,000,000. In 1904, the previous panic year, exports fell from $174,000,000 in December (1903) to $85,000,000 in July.

Imports are now smaller than at any previous time since 1904 and in the first seven months of the calendar year have fallen behind those of the corresponding period of last year $267,000,000 or more than 30 per cent. Imports have been decreasing continuously since last September and in ten months have declined $324,000,000. The decline in exports began later, the first large decrease being reported in March. In the five months exports show a loss of $113,000,000. The monthly decrease in exports and imports during the periods mentioned are shown in the table herewith:

MONTHLY DECREASE IN FOREIGN TRADE.

	Decrease in Imports.	Decrease in Exports.
October	$6,215,731	....
November	8,813,427	....
December	42,107,776	....
January	41,589,420	....
February	38,253,032	....
March	43,996,563	$20,097,079
April	42,116,248	24,093,825
May	42,469,478	21,149,190
June	20,403,287	22,370,350
July	38,215,577	25,349,316
Total	$324,180,539	$113,059,760

The total imports in the ten months ended July 31 this year amounted to $923,954,992, as compared with $1,248,135,531 in the corresponding ten months of the previous year, a decrease of 27 per cent. Compared with 1906 there is a decrease of $124,000,000 and with 1905 of $35,000,000. In the five months ended July 31 the value of exports was $607,125,982 as compared with $720,185,742 in 1907, $657,166,391 in 1906, and $618,431,279 in 1905. These declines in both branches of our foreign trade show the far reaching effects of the financial disaster of last year.

The excessive decrease in imports has again brought the net balance of exports to record breaking figures. For the seven months ended July 31 this balance is $372,000,000. Only three times before in a similar period has the balance reached $300,000,000. In 1898 it was $316,000,000, in

NET EXPORTS MERCHANDISE. AND GOLD.

7 months ended July 31.	Net exports merchandise.	Net exports of gold.
1898	$316,821,427	*$87,515,459
1899	239,398,180	3,876,665
1900	309,408,206	5,824,212
1901	324,781,593	12,362,263
1902	191,496,774	13,378,811
1903	194,532,842	21,846,738
1904	179,418,080	12,843,498
1905	174,445,404	19,408,170
1906	229,584,223	*39,459,149
1907	193,098,831	18,899,669
1908	372,140,261	29,038,943

* Imports.

1900 $309,000,000, and in 1901 $324,000,000. This year the highest previous total is exceeded by $47,000,000. Notwithstanding this large export balance the net exports of gold were the largest in fourteen years, amounting to $29,000,000. A table herewith shows the net movement of merchandise and gold yearly since 1898.

THE MONEY MARKET.—Rates for call money were abnormally low during the month, the range being ¾@1¼ per cent. There was a slight flurry late in the month by reason of the failure of a Stock Exchange house. Time money lends at low rates but collateral is very carefully scrutinized. At the close of the month call money ruled between 1@1¼ per cent., with the average about 1¼ per cent. Banks and trust companies loaned at 1 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 1¾@2 per

MONEY RATES IN NEW YORK CITY.

	April 1.	May 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1½—2	1¾—2	1½—¾	1¼—2	1 —1¼	1 —1¼
Call loans, banks and trust companies	1¼—½	1¾—	1½—	1 —	1 —	1 —
Brokers' loans on collateral, 30 to 60 days	3 —	2¼ ½	2½—	1½—2	2 —	1¾—2
Brokers' loans on collateral, 90 days to 4 months	3¼—4	2½—3¼	2¾—3¼	2 —2¾	2½—3½	2 —3½
Brokers' loans on collateral, 5 to 7 months	4 —	3½—¾	3½—4½	3¼—4	3½—4	3½—¾
Commercial paper, endorsed bills receivable, 60 to 90 days	5 —¼	4 —½	3¼—4	3½—	3 —3½	3 —3½
Commercial paper, prime single names, 4 to 6 months	5½—	4 —½	4 —½	4½—	4 —4¼	4 —4½
Commercial paper, good single names, 4 to 6 months	—	4½—5		4½—5	4½—5	4½—5

cent. for sixty days, 2@2¼ per cent. for ninety days, 2¾@3 per cent. for four months, 3@3½ per cent. for five months, 3½@3¾ per cent. for six months on good mixed collateral. For commercial paper the rates are 3@3½ per cent. for sixty to ninety days' endorsed bills receivable, 4@4½ per cent. for first-class four to six months' single names, and 4½@5 per cent. for good paper having the same length of time to run.

New York Banks.—Considerable difference is shown between the "average" and "actual" figures of the clearing-house banks for August. While the average deposits increased $29,000,000 the actual increased $32,000,000 and at the end of the month the latter were $2,000,000 more than the former. The average loans increased $16,500,000 and the actual loans $21,600,000, while the latter are now $5,000,000 more than the former. The surplus reserve by the statement of averages increased $6,500,000 and is now $65,608,975, while the actual figures are $61,741,650, an increase of $4,500,000 for the month. The average surplus is within $490,000 of the high record made on June 27. The actual surplus reserve on that date, however, was $2,000,000 more than the average and the present actual surplus is nearly $6,500,000 less than the June 27th record. Loans, deposits and reserves all made new records in August.

Foreign Banks.—All the leading European banks gained gold last week, the Bank of England $8,000,000, the Bank of France $6,500,000, and the Bank of Germany $3,000,000. Russia gained $1,000,000. Compared with a year ago the only important increases are $80,000,000 for the Bank of France and $40,000,000 for the Bank of Germany.

New York Clearing House Banks—Average Condition at Close of Each Week.

Dates.	Loans.	Specie.	Legal tenders.	Net Deposits.	Surplus Reserve.	Circulation.	Clearings.
Aug. 1...	$1,273,230,900	$321,313,400	$79,120,500	$1,365,401,300	$59,083,575	$56,149,900	$1,342,439,400
" 8...	1,275,621,600	322,791,900	78,561,700	1,368,516,500	59,224,275	56,003,400	1,559,513,000
" 15...	1,290,018,600	324,635,900	79,464,800	1,385,928,300	57,618,625	55,696,600	1,518,252,500
" 22...	1,286,591,300	331,266,700	78,915,000	1,388,184,900	63,147,975	56,175,600	1,410,795,400
" 29...	1,289,795,600	334,142,000	79,871,300	1,394,617,300	65,608 975	54,685,200	1,370,200,000

New York Clearing House Banks—Actual Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Reserve Held.
Aug. 1..............	$1,273,106,400	$320,015,500	$78,413,700	$1,364,662,900	$398,429,200
" 8..............	1,281,734,500	322,109,900	78,723,100	1,374,777,400	400,833,000
" 15..............	1,293,041,900	327,552,900	79,094,100	1,390,136,300	406,647,000
" 22..............	1,286,797,200	334,765,900	77,757,200	1,389,412,200	412,523,100
" 29..............	1,294,766,100	328,331,900	82,616,400	1,396,826,600	410,948,300

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Net Deposits.	Gross Deposits.	Reserve on Deposits
Aug. 1........	$907,476,800	$83,161,600	$14,664,900	$807,727,200	$1,005,379,400	$333,024,800
" 8........	911,307,600	83,847,200	14,529,500	814,485,400	1,015,842,300	337,064,600
" 15........	918,007,100	85,983,700	14,877,500	824,165,900	1,025,423,000	340,718,900
" 22........	930,383,000	88,521,000	14,568,900	839,410,200	1,036,729,000	340,007,900
" 29........	933,862,100	87,779,300	15,949,300	846,706,800	1,043,606,500	338,996,900

State Banks—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Aug. 1..............	$266,950,700	$57,680,300	$22,672,000	$321,181,600	$101,280,000
" 8..............	268,688,800	56,692,700	22,172,400	321,283,700	99,143,700
" 15..............	268,390,500	56,949,900	22,301,600	321,866,500	99,074,800
" 22..............	273,905,200	57,278,800	22,876,000	327,522,100	102,684,900
" 29..............	273,823,600	54,842,100	24,533,900	328,247,600	102,310,700

TRUST COMPANIES—AVERAGE CONDITION.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Aug. 1	$826,838,300	$78,397,000	$7,066,900	$908,324,200	$303,321,900
" 8	829,836,100	79,092,500	6,944,700	917,986,500	308,140,400
" 15	836,756,600	81,224,500	7,034,900	926,854,800	311,278,900
" 22	842,853,600	82,966,900	7,024,500	931,003,600	307,240,500
" 29	846,549,600	83,046,100	7,236,500	937,569,400	306,536,500

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1906.*		*1907.*		*1908.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,350
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,725
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	39,788,525
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	1,320,176,400	66,098,800
August	1,060,116,900	18,892,475	1,099,302,400	7,478,200	1,365,401,300	59,083,575
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	1,394,617,300	65,608,975
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	....	....
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,394,617,300, on August 29, 1908; loans, $1,290,013,600 on August 15, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. *** Deficit.**

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
Aug. 1	$87,860,400	$104,859,960	$6,103,900	$8,239,400	$13,767,900	$4,485,000	$6,381,252
" 8	88,193,200	105,792,600	5,878,100	8,174,000	14,736,600	4,840,400	7,177,950
" 15	87,749,100	105,511,800	5,797,000	8,438,900	14,716,200	4,812,200	7,586,350
" 22	87,455,500	105,264,400	5,575,900	8,545,400	15,153,100	5,419,200	8,377,500
" 29	87,680,900	106,691,700	5,600,600	8,265,400	16,192,900	4,842,200	8,228,175

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Aug. 1	$197,797,000	$241,534,000	$25,942,000	$3,311,000	$10,577,000	$149,037,000
" 8	200,655,000	242,690,000	25,433,000	3,092,000	10,570,000	138,228,700
" 15	202,713,000	249,056,000	25,387,000	3,219,000	10,574,000	141,234,200
" 22	202,542,000	247,067,000	25,418,000	3,565,000	10,462,000	120,456,900
" 29	202,423,000	243,200,000	24,340,000	3,429,000	10,456,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 25	$234,350,000	$276,650,000	$73,468,000	$16,176,000	$106,057,500
Aug. 1	234,776,000	278,597,000	75,093,000	16,146,000	102,097,400
" 8	235,048,000	278,361,000	75,934,000	16,131,000	110,673,500
" 15	234,247,000	282,394,000	78,071,000	16,131,000	97,780,400
" 22	235,060,000	283,871,000	79,128,000	16,071,000	99,121,700

Foreign Exchange.—Rates for sterling exchanges declined almost continuously during the month and approached a level which for a time presaged an import movement of gold. A further decline will be necessary, however, to bring that about. Bills against wheat exports and future shipments of cotton with short selling were the influences which affected the market.

Money Rates Abroad.—Open market rates were easier in all the principal money centers abroad last month. There was a firmer tone late in the month in anticipation of the new Russian loan. No change was made in the official rates of discount of the European banks. Discounts of sixty to ninety-day bills in London at the close of the month were 1½@1⅝ per cent., the same as a month ago. The open market rate at Paris was 1¼@1⅜ per cent. against 1¼ per cent. a month ago, and at Berlin and Frankfort 2⅞@3 per cent., against 2⅞ a month ago.

Silver.—The price of silver in London declined almost continuously during the month, falling to 23⅝d., as compared with 24 3-16d. a month ago. The range for the month was 24⅜@23⅝.

Foreign Trade.—The exports of merchandise in July were valued at $103,000,000, a decrease of $25,000,000 as compared with 1907 and the smallest for that month since 1904. The imports amounted to $86,000,000, a decrease of $38,000,000 from July, 1907. These also are the smallest July figures since 1904. The balance of net exports is $16,793,000 as against less than $4,000,000 in 1907. For the seven

Gold and Silver in the European Banks.

	July 1, 1908.		Aug. 1, 1908.		Sept. 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£39,404,613	....	£37,120,389	....	£38,731,862	....
France	126,055,687	£37,843,601	127,680,551	£36,287,879	129,042,886	£35,565,178
Germany	40,058,000	16,601,000	40,815,000	16,915,000	41,428,000	17,169,000
Russia	111,827,000	7,651,000	116,084,000	7,945,000	116,256,000	8,036,000
Austria-Hungary	46,800,000	13,339,000	47,016,000	13,463,000	47,208,000	13,385,000
Spain	15,610,000	26,850,000	15,668,000	26,989,000	15,694,000	30,764,000
Italy	36,232,000	4,300,000	36,711,000	4,400,000	36,733,000	4,420,000
Netherlands	7,703,100	4,265,400	7,703,600	4,246,100	7,705,700	4,164,200
Nat. Belgium	4,150,667	2,075,333	4,044,667	2,022,333	4,054,667	2,027,333
Sweden	3,886,000	....	4,029,000	....	4,065,000	....
Switzerland	3,593,000	....	3,955,000	....	4,632,000	....
Norway	1,458,000	....	1,689,000	....	1,651,000	....
Totals	£4,77306,736	£112,925,634	£442,457,207	£112,268,312	£447,262,114	£115,560,711

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentory Sterling, 60 days.
Aug. 1	4.8530 @ 4.8540	4.8685 @ 4.8690	4.8705 @ 4.8715	4.85 @ 4.85⅛	4.84½ @ 4.85
" 8	4.8515 @ 4.8525	4.8650 @ 4.8655	4.8670 @ 4.8675	4.84¾ @ 4.85	4.84¼ @ 4.84¾
" 15	4.8500 @ 4.8510	4.8645 @ 4.8650	4.8665 @ 4.8675	4.84⅝ @ 4.84¾	4.84 @ 4.84⅝
" 22	4.8475 @ 4.8485	4.8615 @ 4.8620	4.8630 @ 4.8640	4.84¼ @ 4.84½	4.83¾ @ 4.84¼
" 29	4.8440 @ 4.8450	4.8585 @ 4.8590	4.8605 @ 4.8610	4.83⅞ @ 4.84	4.83¼ @ 4.84⅛

Foreign Exchange—Actual Rates on or About the First of Each Month.

	May. 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
Sterling Bankers—60 days	4.84½— ⅝	4.85½— ⅝	4.85½— ⅝	4.85¼— ⅜	4.84¼— ½
" " Sight	4.87 -- ⅛	4.87⅛— ¼	4.86⅞— 87	1.86⅞—87	4.85¾— ⅞
" " Cables	4.87¼— ⅜	4.87⅜— ½	4.87⅛— ¼	4.87 — ⅛	4.86 —
" Commercial long	4.84⅝— ¾	4.85¼— ⅜	4.85¼— ⅜	4.85 — ⅛	4.83¼— ¾
" Docu'tary for paym't	4.83¾— —	4.84¼— 5⅜	4.84⅝— 5⅛	4.84½—85	4.83 —84
Paris—Cable transfers	5.15 1/16— 15	5.13 1/16—15	5.15⅝— 3/32	5.15⅝—	5.16⅞—
" Bankers' 60 days	5.18⅛—17½	5.17½—16⅞	5.15⅞—	5.17½—16⅞	5.18¾— ⅛
" Bankers' sight	5.15⅝— —	5.15⅝—	5.15⅝—	5.16¼—15⅝	5.17½— 16⅞
Swiss—Bankers' sight	5.16¼— —	5.16¼—	5.15⅝— 1/16	5.15 3/32— 1/16	5.16 — ⅞
Berlin—Bankers' 60 days	94¾— ⅞	94⅞—95	95 — 1/16	95⅛— 3/16	94¾— ⅞
" Bankers' sight	95 5/16— ⅜	95 7/16—	95½—	95 7/16— ½	95 3/16— ¼
Amsterdam—Bankers' sight	40¼— 5/16	40¼— 5/16	40¼— 5/16	40 5/16—	40¼—
Kronors—Bankers' sight	26¾— ⅞	26 13/16— 15/16	26⅞—27	26⅞—27	26 13/16— ⅞
Italian lire—sight	5.16¼—15⅝	5.15⅝— 1/16	5.14⅝— 13¾	5.15⅝—15	5.16¼—

Bank of England Statement and London Markets.

	May 31, 1908.	*June 30, 1908.*	*July 31, 1908.*	*Aug. 31, 1908.*
Circulation	£28,462,000	£28,892,000	£29,533,000	£29,252,000
Public deposits	10,426,000	10,170,000	5,845,000	7,876,000
Other deposits	42,812,000	46,167,000	46,064,000	44,233,000
Government securities	14,575,000	15,237,000	15,047,000	15,532,000
Other securities	28,826,000	30,023,000	28,843,000	28,508,000
Reserve of notes and coin	27,662,000	28,861,000	26,038,000	27,929,000
Coin and bullion	37,674,499	39,226,000	37,120,380	38,731,862
Reserve to liabilities	51.90%	51.17%	50.12%	53.60%
Bank rate of discount	2½%	2½%	2½%	2½%
Price of Consols (2½ per cents.)	87 5/16	87¾	86 11/16	86⅛
Price of silver per ounce	24⅝d.	24¾d.	24 3/16d.	....

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906.		1907.		1908.		Month.	1906.		1907.		1908.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low*
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31	24⅞	24 3/16
February	30 13/16	30⅛	32⅛	31⅛	26 9/16	25⅛	August	30 13/16	29⅞	32 3/16	31⅛	24 3/16	23⅝
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¼	30 13/16	31 9/16	31⅛		
April	30 3/16	29⅝	30⅛	30	25⅛	24 5/16	October	32 9/16	31 13/16	30⅞	27 7/16		
May	31⅝	30 3/16	31⅛	29 13/16	24 13/16	24	November	33⅛	32	27 13/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝	25⅜	24¼	December	32 3/16	31 9/16	26 11/16	24 3/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.86	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.90	3.96	Ten guilders	3.95	4.00
Twenty marks	4.75	4.80	Mexican dollars	.45	.51
Twenty-five pesetas	4.78	4.82	Peruvian soles	.36½	.41
Spanish doubloons	15.50	15.65	Chilian pesos	.36½	.41

Bar silver in London on the first of this month was quoted at 23⅝d. per ounce. New York market for commercial silver bars, 51⅛ @ 52⅝c. Fine silver (Government assay), 51¼ @ 52¾c. The official price was 51⅛c.

Exports and Imports of the United States.

Month of July.	Merchandise.				Gold Balance.		Silver Balance.	
	Exports.	*Imports.*	*Balance.*					
1903	$91,813,265	$82,187,823	Exp.,	$9,625,442	Exp.,	$4,486,551	Exp.,	$426,269
1904	85,223,479	71,193,943	"	14,029,536	Imp.,	7,842,169	"	3,153,497
1905	107,930,421	84,512,606	"	23,417,815	"	3,813,967	"	1,308,704
1906	111,693,274	102,592,449	"	9,100,825	"	8,532,085	"	1,082,922
1907	128,549,535	124,621,893	"	3,927,642	Exp.,	4,067,584	"	2,567,817
1908	103,200,219	86,406,316	"	16,793,903	"	1,928,864	"	1,948,672
Seven Months.								
1903	$789,465,174	594,932,332	Exp.,	194,532,842	Exp.,	21,846,738	Exp.,	7,950,254
1904	758,949,576	579,531,496	"	179,418,080	"	12,843,498	"	15,745,596
1905	848,899,444	674,454,040	"	174,445,404	"	19,408,170	"	11,216,547
1906	969,536,002	739,951,779	"	229,584,223	Imp.,	39,459,149	"	10,843,321
1907	1,068,999,907	875,901,076	"	193,098,831	Exp.,	18,899,669	"	9,391,415
1908	980,997,732	608,857,471	"	372,140,261	"	29,038,943	"	6,321,869

months of the calendar year the exports are $88,000,000 less than in 1907, but larger than in any other year. The imports are $267,000,000 less than in 1907 and the smallest since 1904. The balance of net exports is $372,000,000, the largest ever recorded for a similar period. Gold exports in the seven months exceeded the imports by $29,000,000 making the largest loss in gold for that period in over ten years. The net exports of silver were $6,000,000, the smallest in many years.

National Bank Circulation.

	May 31, 1908.	June 30, 1908.	July 31, 1908.	Aug. 31, 1908.
Total amount outstanding	$698,449,517	$698,333,917	$692,088,991	$685,326,108
Circulation based on U. S. bonds	624,714,147	623,250,517	625,360,982	625,986,993
Circulation secured by lawful money	73,735,370	75,083,400	66,728,009	59,339,115
U. S. bonds to secure circulation:				
Four per cents. of 1925	15,032,250	14,824,250	14,346,450	14,677,450
Three per cents. of 1908-1918	9,463,440	9,752,440	9,521,940	10,086,600
Two per cents. of 1930	553,837,450	552,863,200	553,813,150	554,955,200
Panama Canal 2 per cents	36,311,520	36,520,740	37,564,380	37,701,740
Certificates of Indebtedness 3 per cent	14,186,500	14,186,500	14,186,500	14,186,500
Total	$629,031,160	$628,147,130	$629,432,420	$631,607,490

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents, of 1925, $7,285,750; 3 per cents. of 1908-1918, $8,834,400; 2 per cents. of 1930, $46,730,950; Panama Canal 2 per cents. $15,082,500; District of Columbia 3.65's, 1924, $2,416,000; Hawaiian Islands bonds, $1,833,000; Philippine loan, $8,461,000; state, city and railroad bonds, $51,865,947; Porto Rico, $736,000; certificates of indebtedness 3 per cent., $———; a total of $143,245,547.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	August, 1908.	Since July 1, 1908.
Customs	$22,553,645	$43,139,093
Internal revenue	19,806,200	41,635,326
Miscellaneous	2,954,526	12,689,408
Total	$45,294,371	$97,463,827
Excess of receipts	*$3,909,128	*$28,778,565

*Excess of expenditures.

Expenditures.

Source.	August, 1908.	Since July 1, 1908.
Civil and mis.	$11,585,788	$32,188,745
War	7,830,570	25,902,281
Navy	7,947,798	17,593,494
Indians	1,720,717	3,513,944
Pensions	13,383,898	27,268,489
Public works	5,002,907	14,778,943
Interest	1,731,821	5,001,497
Total	$49,203,499	$126,242,393

United States Public Debt.

	June 1, 1908.	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	14,186,500	14,186,500	14,186,500	14,186,500
Total interest-bearing debt	$897,503,990	$897,503,990	$897,503,990	$897,503,990
Debt on which interest has ceased	4,291,305	4,130,015	3,943,745	3,867,625
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	71,879,462	72,459,284	57,393,588	48,808,438
Fractional currency	6,862,814	6,862,814	6,862,374	6,862,374
Total non-interest bearing debt	$425,476,575	$426,056,397	$410,990,260	$402,405,110
Total interest and non-interest debt	1,327,271,870	1,327,690,402	1,312,437,996	1,303,776,726
Certificates and notes offset by cash in the Treasury:				
Gold certificates	825,730,869	819,783,869	818,758,869	837,564,869
Silver certificates	474,054,000	474,350,000	484,054,000	487,768,000
Treasury notes of 1890	5,070,000	4,982,000	4,903,000	4,847,000
Total certificates and notes	$1,304,854,869	$1,299,115,869	1,307,715,869	$1,330,179,869
Aggregate debt	2,632,126,739	2,626,806,271	2,620,153,865	2,633,956,595
Cash in the Treasury:				
Total cash assets	1,817,636,025	1,807,352,855	$1,791,038,029	1,786,442,021
Demand liabilities	1,426,702,769	1,417,794,862	1,437,409,856	1,446,551,883
Balance	$390,933,255	$389,557,993	$353,628,173	$339,890,138
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	240,933,254	239,557,993	203,628,173	189,890,138
Total	$390,933,255	$389,557,993	$353,628,173	$339,890,138
Total debt, less cash in the Treasury	936,338,615	938,132,409	958,809,823	963,886,588

National Bank Circulation—There was a decrease of $6,762,883 in the volume of national bank notes in circulation last month. There were $7,388,000 of notes retired against which there had previously been deposited lawful money for their can-

cellation. There was an increase of $2,000,000 in bonds deposited to secure circulation and of $600,000 in notes secured by bonds. In bonds deposited to secure public deposits there was a decrease of $2,000,000.

GOVERNMENT REVENUES AND DISBURSEMENTS.—Another deficit of nearly $4,000,000 was reported by the Government in August, making since July 1 a total of $28,778,565, as compared with $7,300,000 in the first two months of the previous fiscal year. The receipts in August were about $13,000,000 less than in the same month last year, while the expenditures showed a decrease of $5,400,000. For the two months receipts declined $27,000,000 and expenditures increased nearly $5,000,000.

UNITED STATES PUBLIC DEBT.—The aggregate debt of the United States increased $13,800,000 last month. This was caused by an increase of $22,400,000 in certificates outstanding, nearly $19,000,000 in gold certificates, partly offset by a reduction of $8,600,000 in the national bank note redemption account. The cash balance in the Treasury was reduced over $13,000,000 and is now below $190,000,000. The debt less cash in the Treasury increased $5,000,000 and is nearly $964,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was over $31,000,000 added to the volume of circulation in August, all but about $5,000,000 of which was from a reduction of the holdings of the United States Treasury. More than $22,000,000 of gold certificates were issued during the month.

MONEY IN THE UNITED STATES TREASURY.—The total money in the Treasury was reduced $3,500,000 in August, but certificates issued were increased nearly $23,000,000. The net cash was reduced from $338,000,000 to $312,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money increased $5,000,000 in August. The principal changes in the supply were an increase of $11,000,000 in gold and a decrease of about $7,000,000 in national bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	June 1, 1908.	*July 1, 1908.*	*Aug. 1, 1908.*	*Sept. 1, 1908.*
Gold coin	$618,620,761	$614,553,628	$615,788,276	$619,990,263
Silver dollars	78,103,331	76,354,933	75,185 184	74,891,095
Subsidiary silver	121,382,852	122,912,990	122,782,736	124,005,574
Gold certificates	783,708,489	768,464,309	784,278,609	806,653,109
Silver certificates	456,668,484	465,581,977	474,690,962	475,083,723
Treasury notes, Act July 14, 1890	5,053,899	4,968,084	4,889,789	4,837,418
United States notes	335,192,274	340,189,838	341,035,382	341,311,926
National bank notes	637,452,199	632,431,530	627,316,659	630,633,800
Total	$3,036,182,289	$3,045,457,389	$3,045,962,547	$3,077,406,908
Population of United States	87,377,000	87,496,000	87,614,000	87,733,000
Circulation per capita	$34.75	$34.81	$34.77	$35.07

MONEY IN THE UNITED STATES TREASURY.

	June 1, 1908.	*July 1, 1908.*	*Aug. 1, 1908.*	*Sept. 1, 1908.*
Gold coin and bullion	$997,393,172	$1,001,666,550	$1,014,511,618	$1,021,568,685
Silver dollars	490,146,651	491,895,049	493,075,848	493,369,887
Subsidiary silver	22,155,411	23,727,308	24,222,649	23,774,263
United States notes	11,488,742	6,491,178	5,645,634	5,369,090
National bank notes	60,997,318	65,902,387	64,772,332	54,092,308
Total	$1,582,181,294	$1,589,682,472	$1,602,228,076	$1,598,774,233
Certificates and Treasury notes, 1890, outstanding	1,245,430,872	1,259,014,370	1,263,854,360	1,286,574,250
Net cash in Treasury	$336,750,422	$330,668,102	$338,373,716	$312,199,983

SUPPLY OF MONEY IN THE UNITED STATES.

	May 1, 1908.	*June 1, 1908.*	*July 1, 1908.*	*Aug. 1, 1908.*	*Sept. 1, 1908.*
Gold coin and bullion	$1,639,267,384	$1,616,013,933	$1,616,220,178	$1,630,299,889	$1,641,558,948
Silver dollars	568,249,982	568,249,982	568,249,982	568,260,982	568,260,982
Subsidiary silver	144,809,002	143,538,263	146,640,298	147,005,385	147,779,837
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	697,645,698	698,449,517	698,333,917	692,088,991	685,326,108
Total	$3,396,653,082	$3,372,932,711	$3,376,125,391	$3,384,336,263	$3,389,606,891

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—Another fine banking office was opened August 7, when the Importers and Traders' National Bank, one of New York's oldest banks, moved into its new home, at 247 Broadway, at the corner of Murray street. Following the lead of other powerful banking institutions, directors of the Importers and Traders' Bank decided a year ago to erect a structure devoted exclusively to the conduct of affairs of the institution, and in working out the arrangements many radical departures from the customary bank plans were effected.

Instead of one great room, the Importers and Traders' has introduced the scheme of dividing the different departments by floors.

The building is six stories high, with a basement and sub-basement. The first, second and third floors contain the departments for the transaction of the public business. The fourth floor is devoted to the correspondents, etc.; the fifth to the directors' suite and the sixth to the future growth of the bank. On the first floor are the receiving teller and collection clerk, on the second floor the assistant cashier and paying teller are located, while on the third floor are the officers' quarters, together with the loan and discount chiefs.

Twin elevators connect the floors. By this means the lines of customers are isolated and greater freedom is obtained. The floor space amounts to 17,500 square feet, and the disposition of the frontage in Broadway and Murray street has given the offices natural light in each department.

One of the show places of the building is the directors' suite on the fifth floor. The wainscots are of Circassian walnut, while Caen stone is used extensively not only in the directors' rooms but in the ceiling of the first floor and on the walls of the second and third floors. About $750,000 was spent on the structure. The site is the property of the bank, which acquired it in 1861. The Importers and Traders' Bank was organized in 1855.

Edward Townsend, the president of the bank, and his associate officers received many congratulations during the opening day on the completion of the bank's new home. From the wholesale business district, where the institution is widely known, came visitors who were taken through the building and shown the fine points of the classic treatment of the structure by the architect, J. H. Freedlander.

The officers of the bank are: Edward Townsend, president; H. H. Powell, cashier; G. H. Hulin, G. H. Blish and C. F. Regan, assistant cashiers. Directors are John Arbuckle, Isaac D. Fletcher, Henry C. Hulbert, Henry R. Ickelheimer, Adolph Lewisohn, James R. Plum, H. H. Powell, Edward C. Rice, Edward Townsend, Edward Van Volkenburgh, John J. Walton and P. B. Worrall.

—The Knickerbocker Trust Company anticipated two more of its installment payments of deposits on August 7, and made available for distribution ten per cent. more of the total funds standing credited to the depositors when the institution opened its doors several months ago. As matters stand now about twenty-one per cent. of the total deposits have been paid, or thirty per cent. of the seventy per cent. of the deposits that were to be paid on the installment basis under the resumption plan.

There was, however, nothing in the run of business at the Knickerbocker during business hours, August 7, either at its down town office or at the Thirty-fourth street office, to indicate a disposition on the part of depositors to withdraw their money. As a matter of fact, however, the two installments made payable yesterday carried the payments under the resumption plan along to February 26, 1909, so that the Knickerbocker is already six months ahead of the time set in the plan.

It is probable that the company will keep on anticipating its installment payments, so that by the end of 1908 it will be a whole year ahead. Under the plan the other 30 per cent. of the deposits are to be paid back out of surplus earnings, but this will not be until after the installment payments have been completed.

—The stockholders of the Lafayette Trust Company have voted to increase the capital stock from $500,000 to $800,000. The new stock is to be sold at par and each stockholder will have the right to subscribe for three shares for every five shares now held.

—A. M. Dederer has been elected third vice-president of the Metropolitan Bank.

This bank has leased the old headquarters of the Mechanics and Traders' Bank at No. 565 Broadway, where it has a branch, known as the Prince street branch.

—The Interstate Prosperity Congress, which was arranged by the United Commercial Travelers of America to boom prosperity, held its first session August 14, at the Merchants' Association building in Lafayette street, at which president Herman A. Metz presided.

There were many speakers on the program and all of them promised to talk prosperity from one end of this country to the other.

Henry Clews was one of the speakers and touched on "Banks and Their Relations to Commerce."

Many social features enlivened the second day of the convention, consisting of automobile rides to Coney Island, lunch at the Manhattan Beach Hotel, then athletic sports in the afternoon, followed by a banquet at night.

—The Treasury at Washington is busily engaged in carrying into effect the Aldrich-Vreeland act providing for emergency currency if called for. There are 6880 national banks, nearly all of which take out circulation. Each has from two to four separate and distinct plates. These are being changed to meet requirements of the new law. The changes are slight and the bureau of printing and engraving is able to change an average of 35 plates per day, and has, up to the present, changed about 3000 plates. The work will be continued until all the plates of the 6800 banks are changed, making the total of changes probably 15,000. In the meantime new plates for banks that have ordered them are being engraved. This will take perhaps more than a year.

From these changed plates the bureau is printing daily large quantities of emergency currency. The volume is so great that quarters have been rented in the Union Loan & Trust Building and a large vault installed to receive it.

Some twenty extra counters have been employed in counting and storing the new currency. None of this has, of course, been issued, and none will be unless an emergency as provided in the Aldrich-Vreeland act arises, when the issue will then be made only in the discretion of the secretary of the treasury.

A new vault is in course of construction in the treasury for storing the bonds that the law prescribes shall be deposited as security for emergency circulation.

Italian private bankers of New York formed an organization and incorporated

under the laws of the state, to be known as "The Associated Bankers of the State of New York." Their object is to protect each other from loss by criminals and to promote a better understanding and uniformity of action in their business.

—Herman Holz, who has been connected for a number of years with the banking house of Ladenburg, Thalman & Co., and with the Commercial Trust Company, has been appointed manager of the Foreign Department of the Hungarian-American Bank at 32 Broadway. The Hungarian-American Bank, of which E. S. A. De Lima is president, represents the Central Credit Bank of Hungarian Financial Establishments, Ltd., a consolidation of 450 banks in all parts of Hungary.

—Monday, August 17, marked the twenty-second anniversary of the Lawyer's Title Insurance and Trust Company, and on that date the company occupied its own new sixteen-story building at 160 Broadway. It will utilize the first seven floors and the sixteenth for its offices, the floors between the seventh and sixteenth being arranged in office suites. The first floor is set apart for the institution's trust and banking departments, the application department, bureau of investment, and the officials' offices.

—The Greenwich Bank has purchased the furniture and fixtures of the Times square branch of the Mechanics & Traders' Bank (Broadway and Forty-fifth street), and has established a branch of its own at this location. This makes the fifth branch that this bank has established in the city and as the location is a favorable one, the seven and one-half millions of deposits will be largely increased.

The Greenwich Bank is one of the oldest banks in New York founded in 1830 and its history is as interesting as a romance. William C. Duncan is president at this time.

—Arrangements have been made by the Eastern representatives of the American Bankers' Association, which will hold its thirty-fourth annual convention in Denver, September 28 to October 2, for a special train de luxe to Denver via the Pennsylvania Railroad. It will be one of the finest trains that has ever crossed the country. Leaving New York at 3.55 p. m. on Friday, September 25, it will arrive in Denver at 5 p. m. on September 27. After the convention the delegates will take the special train again at 9 p. m., Friday, October 2, and return to New York by way of Colorado Springs, Kansas City and St. Louis. Saturday, October 3, will be spent in sightseeing in the vicinity of Colorado Springs. It is expected that practically all of the Eastern bankers attending the convention will use this special train.

—Samuel Byerley, the American Express Company's clerk who rose to fame as a successful bidder without capital when the Government put out Panama Canal bonds, has been heard of again as the organizer of a national bank.

The title chosen by Mr. Byerley is the "Twenty-four-hour National Bank." If his promotion is successful, it will be located near Times square, and will have a capital of $200,000 and surplus of $50,000.

—Paul Schwartz, who has become a partner in the firm of Herklotz, Corn & Co., merchants, at No. 15 William street, was president of the Mutual Alliance Trust Company, from which office he resigned on July 1. Mr. Schwartz is well known in downtown business circles and an old member of the Cotton and Coffee exchanges.

—There has been general satisfaction expressed by the business men and residents of the Bushwick section of Brooklyn over the establishing of the Peoples' National Bank, on Broadway, near Quincy street. The opening took place on August 20, and the new institution began business on that day in a handsome white stone front building, that will add much to the appearance of the community.

Although only one story high, it is massive and substantial in its appearance and will do much toward sustaining the massive and substantial character of the financial backing of the new institution.

Inside the building the same massive richness and worth are apparent, all attempts at glaring decorations being discouraged.

Instead of erecting a large building from which they could derive revenues in the shape of rentals, the directors of the new bank decided to build only a structure large enough for their banking purposes and to have nobody in it between cellar and roof but themselves and their vaults.

The directors of the new bank, all of whom are identified with some successful business in that part of Brooklyn, are George W. Spence, president; George C. Miller, vice-president; J. B. Korndorfer, cashier; James H. Harnden, Adolphus Gload, Joel B. Goodman, Clinton P. Case, Marshall McLean, H. F. Gundrum, Henry F. Schelling, Henry C. Bohack, William H. Agricola and Arthur R. Koch.

—The resumption of business by the Mechanics and Traders' Bank on August 17, under the name of the Union Bank of Brooklyn, with a new set of officers, marks the culmination of a most remarkable series of financial rehabilitations of suspended banks and trust companies.

The New York branches have been closed up, on the advice of Supt. of Banks Clark Williams, but eight branches will operate in Brooklyn under the name, Union Bank.

Those depositors who signed the deferred payment plan will have to wait sixteen months for their money, but eventually will receive every cent due them.

On the opening day, Edward M. Grout, the new president, said that new deposits had exceeded withdrawals by two and one-half per cent. to one. In one branch alone deposits within the first hour after opening were $25,000.

During the receivership there was an increase of cash from $2,700,000 to $3,-912,000, and there was available upon resumption approximately $4,000,000.

—The Equitable Trust Co. has made application to the State Banking Department to establish a branch office at 618 Fifth avenue.

—On August 11 Ambassador Reid gave a stag dinner at Dorchester House, London, in honor of the members of the American Monetary Commission. A number of well known financiers were invited to meet the Americans. All the commissioners, Senators Aldrich, of Rhode Island; Hale, of Maine, and Daniel, of Virginia, and Representatives Vreeland, of New York; Overstreet, of Indiana, and Padgett, of Tennessee, together with Professor A. T. Andrews, were present.

A sub-committee, consisting of Senator Daniel, of Virginia, and Representatives Overstreet, of Indiana, and Vreeland, of New York, were on August 25, guests at a luncheon given by Ambassador Henry White of Paris.

M. Pallian, governor of the Bank of France, and Baron Brincard, administrator of the Credit Lyonnais, were also guests

at the luncheon. The members of the sub-committee spent the afternoon in the two institutions named examining the French system of finance. They gained extensive and helpful information.

—Plans have been filed with the Bureau of Buildings for a new 20-story office building for the Bank of New York, to be erected on the site of the present building. It is also contemplated to enlarge the Broad-Exchange building by the erection of an additional story, making the building 21 stories high. The cost of the proposed alterations will approximate $80,000.

—Frank B. French, who has been connected with Twelfth Ward Bank for twenty-two years, latterly as cashier, has been elected president of that institution. Mr. French was formerly cashier of the bank; James V. Iverson has been elected to this position.

—Each month the Fidelity and Casualty Company of New York issues a bulletin for the information of its agents, and the August number is full of interesting matter both for the agent and the man who contemplates taking out policies or insurance.

On the cover page there appears a picture of the late ex-President of the United States, Grover Cleveland. On another page of the number there are two plates, one showing his birthplace at Caldwell, N. J., and the other his home at Princeton, N. J. There is also given the address of Mr. Seward before the New York Chamber of Commerce, which is a glowing tribute to the life and attainments of Mr. Cleveland.

Mr. Seward is president of the Fidelity and Casualty Company, which is located at 97-103 Cedar street.

—The third dividend to depositors of the failed National Bank of North America was paid on Sept. 10, through the efforts of the receiver, Charles A. Hanna. The dividend was at the rate of twenty-five per cent. and will make seventy-five per cent. paid in all since the bank closed its doors, on Jan. 29 last.

The receiver expects to pay the final twenty-five per cent. dividend before the year ends, and according to national banking regulations, if the assets are sufficient, of which there seems to be no doubt, the depositors will then receive interest at the rate of six per cent. on their money for the time it was tied up.

Meanwhile Charles W. Morse is continuing to pay depositors in full without in-

terest at his office, at 1 Nassau street, upon surrender of their certificates. Business in paying off has not been brisk since depositors learned that they would get six per cent. interest by waiting for the receiver to pay them.

—Stockholders of the Flatbush Trust Company will have the opportunity of subscribing for one share of new stock for every two shares now held. The increase is necessary because of the new law of the State Banking Department, which requires an institution to have $100,000 capital in excess of its original amount for every branch operated. The Flatbush having one branch in the New Utrecht section, must make the expansion by October 30. When the proposed capital increase is made the Flatbush Trust Company will be capitalized at $300,000.

NEW ENGLAND STATES.

—The palatial new business quarters of the International Trust Company of Boston, which were opened at 45 Milk street in July, have attracted favorable comment from patrons and public.

This new structure is built of Bedford sandstone and is ten stories in height. The interior architecture resembles that of the Capitol at Washington, a sort of horseshoe in form with the rotunda in the arch and the various departments and business offices artistically arranged on either side. The main entrance to the banking quarters proper is by way of the arch, while the safety deposit vaults may be reached from Milk and Devonshire or Milk and Arch streets, or from the bank by stairway or elevator.

The new building, which has been possible by the able management of the affairs of the company under its president, John M. Graham, is a monument to his ability as a financier. The institution now has assets of over $16,000,000, capital $1,000,000, and a surplus of $4,000,000.

The structure has cost $750,000, the vaults alone representing an outlay of $250,000.

The rotunda is covered by a dome in which every modern appliance for ventilation has been installed. This dome is fitted with the illuminating apparatus, which will be used on dark days and during the winter. The materials used in the interior construction are marble, mahogany and bronze. The vaults, trust and transfer departments are on the lower floor of the building, which contains many unique features in bank furnishing. The entrances on the corners are of bronze and marble fitted with mahogany doors of the revolving type. On the Arch street side there is a lift on the street level so that heavy packages of silver or valuables may be lowered to a level with the vault doors.

Aside from the regular business rooms in the building there are other features not possessed by other banks, reading and writing rooms for men and women, retiring rooms fitted with every modern improvement and a perfectly appointed reception room for women finished in ivory white with silk panels. There are forty-five coupon compartments finished in marble and mahogany with glass tables and provided with pens, ink and paper.

Protection against fire, burglars or almost anything else is provided in many ways. Besides the construction of the vaults, which is of the finest steel, the locks are of the very finest and most secure mechanism. To complete the provision for safety there is a unique arrangement of mirrors and electric lights so that one outside the vault, by pressing a button, may see under the vaults themselves, so that tunneling would be impossible.

—The City Trust Company of Boston, with the payment of a dividend of $3 per share on August 15, incidentally changed its dividend period from semi-annually to quarterly. This also changed the basis from eight per cent. to twelve per cent. annually.

—The National Shawmut Bank of Boston, which has an automobile equipped

with steel safes in which to carry its money through the streets, has armed its four messengers who do duty on the automobile with the latest automatic pistols, so that they may be able to cope with any hold-up man on equal or better terms. Even if a hold-up were successful and a thief got possession of this automobile, it would require an experienced burglar with a burglar's kit to break the steel chests in which the money is carried.

To protect its cash and its customers, the bank also arms with revolvers some 15 of its clerks constantly on duty in the banking room on Water street, so that all money handled by the bank or its customers is constantly under armed protection.

The bank has established in its sub-basement a regular 30-yard range for pistol practice for its messengers and clerks.

—In order to meet the increased demands of its business, the Old Colony Trust Company is about to erect a pretentious building on the old Adams building site at the corner of Franklin avenue and Court street, Boston. The plans for the structure have been drawn by Shepley, Rutan & Coolidge, and call for a four-story, basement, fireproof building and will be for the especial use of the company. The building will be simple of structure and when erected will be impressive from its solidity rather than its adornments.

An idea of its size may be gleaned from the fact that there are 12,600 feet in the area which the new building will occupy. The company has contracted with the Carnegie Steel Company for one of its Harveyized nickel steel armor plate vaults. This will be the largest safe deposit vault in New England and the first one of this type to be installed.

—Elbert L. Weaver has been elected assistant cashier of the Charter Oak National Bank of Hartford, Conn. He succeeds Robert C. Glazier, who has become cashier of the Riverside Trust Co. of Hartford.

—At the last annual meeting of the Collinsville, Conn., Savings Society, several important changes went into effect.

J. B. Lougee, who has been president for a number of years tendered his resignation as president and member of the board of directors. He is succeeded by Frank M. Mills, who for a number of years has served as vice-president and director.

John C. Aldrich, who was second vice-president, was advanced to first vice-president, and Charles A. Farnham, one of the directors, was elected second vice-president.

At the same meeting John D. Andrews,

who has served as secretary and treasurer for eighteen years, and has seen the deposits in that time increase from $350,000 to nearly $1,000,000, resigned because of ill health. His place was filled by the election of Howard L. Sanborn.

—At the annual meeting of the incorporators of the Peoples' Savings Bank of Rockville, Conn., E. H. Preston was elected president to succeed W. H. Prescott. John E. Fiske was elected vice-president and John E. Fahey and A. Leroy Martin were added to the board of directors.

—At a meeting of the board of trustees of the Bangor, Maine, Savings Bank, Everett F. Rich was chosen clerk and treasurer of the bank to fill the unexpired term of the late John L. Crosby. Charles H. Hubbard was chosen assistant treasurer to take the position made vacant by the promotion of Mr. Rich. Mr. Rich has been connected with the Bangor Savings Bank for nineteen years and for the past sixteen years he has held the position of assistant treasurer.

—The National Traders Bank of Portland, Me., one of the oldest banking institutions in the city, has voted to liquidate its business and the majority of the stockholders have voted to transfer their stock to the Fidelity Trust Company of Portland.

The reason given for the winding up of the bank's affairs is, that the present methods of doing business are not profitable in competition with the younger banks and trust companies that have been organized.

—On August 21, John F. Tufts, cashier of the Union Market National Bank of Watertown, Mass., was admitted to the Massachusetts bar, with full rights to appear as attorney and counsellor-at-law in any state court.

Mr. Tufts, however, will not abandon the banking business for active law practice, but will use his acquired legal knowledge in performing faithfully the duties of cashier.

EASTERN STATES.

—Employees of the Bank of Pittsburgh, National association, and their families, held their annual picnic at Oakwood Park August 22, when baseball games, running races, music and dancing were the features of the day.

—C. L. Flaccus has resigned the presidency of the Metropolitan National Bank of Pittsburgh, and W. J. Zahnizer has been chosen to succeed him. Mr. Flaccus is a well-known glass manufacturer and will hereafter devote his time to that business.

The new president is well known in Pittsburgh, and has been a member of the board for some time..

—With the beginning of October the United States Trust Company of Pittsburgh will be ready for business in the old quarters of the Commonwealth Trust Company on Fourth avenue. The company is being organized by E. A. Cohen, president of the United States Realty Company, and his associates, and will have a capital stock of $200,000 and a surplus of $60,000.

—The First National Bank of Pittsburgh has issued a very interesting number in its Business Monthly for August. Among its contents may be found a picture of the

Oliver skyscraper, to be the tallest building in Pittsburgh, and an article on trade with Mexico by O. F. Spindler. The editorial tone is distinctly optimistic.

—The enforcement of an old ordinance by Pittsburgh officials has caused a number of the Pittsburgh banks to tear out and rebuild their entrances.

This has caused some little inconvenience, but the banks affected by the order, namely, the Duquesne National, the American National and Mellon National, have complied without hesitation.

—The Union National Bank of Philadelphia has begun to pay stockholders of the Consolidation National Bank the $40 per share for their stock as agreed. The Union National took over the business of the other bank from June 8. Checks to the aggregate amount of $400,000 have been made out to Consolidation stockholders and they will be paid as they present their certificates.

—The Kensington Trust Company, of Philadelphia, Pa., now at 2638 Kensington avenue, has purchased a lot 80 feet by 115 feet on Kensington avenue north of Allegheny avenue, on which the company will build a new bank building to cost about $100,000. The price paid for the lot purchased was about $15,000. Estimates have been asked on plans for the new building and work on it will be begun early in the fall.

—On August 24 the Girard Trust Company of Philadelphia began business in its new building at the northwest corner of Broad and Chestnut streets, a structure acknowledged as a triumph of architectural beauty.

The beginning of business in this building—one of the best in the United States devoted exclusively to banking purposes—is strong proof of the progress which has been made by this concern in common with other Philadelphia banking houses during the last decade.

The building was modeled after the Pantheon, and the effect of noble and stately lines of the original has been faithfully reproduced in white marble. The idea to use this design came to Effingham B. Morris, the president, while on a visit to Rome. He made a rough draft and this with the necessary changes to meet the requirements of modern business, was developed by Allen Evans, a Philadelphia architect, and Charles E. McKim, of New York.

It was first planned to use granite, but the architects urged the selection of marble because of the added beauty. Georgia stone was selected, largely because it is of a hard, non-absorbent nature, and is not quickly discolored by the smoke and dirt of a city. This marble has been used inside and out, except in parts of the interior, where the effect could be heightened by the use of panels of Pavernazza marble. More than 9000 tons of marble have been used, and this item alone involved an expenditure of more than $500,000.

One feature connected with the erection of this magnificent bank home, which should commend itself to banks who expect at some time to build, is the way in which the cost was met. This was done by setting aside all the earnings that would otherwise have been credited to the undivided profits account after the payment of dividends. Thus, at completion, the entire expenditure is charged off the balance sheet of the company, and the building stands among the assets of the company at the cost of the ground only.

The officers of the company are as follows:

President, Effingham B. Morris.

First vice-president, William Newbold Ely.

Second vice-president, Albert Atlee Jackson.

Third vice-president and treasurer, Charles James Rhoads.

Secretary, Edward Sydenham Page.

Assistant treasurer, George H. Stuart 3d.

Assistant secretary Samuel W. Morris.

Trust officer, J. Snowden Rhoads.

Real estate officer, Minturn T. Wright.

—Fifty trust companies in different parts of the state of Pennsylvania have been penalized by Auditor General Young for failing to make their annual reports by June 20, as provided by the act of 1907.

The penalty consists of an arbitrary amount of tax fixed by the auditor general and state treasurer, with fifty per ent. added.

—The Farmers National Bank at Emlenton, Pa., closed last April by the Comptroller of the Currency, has been re-opened. It was recently reorganized with C. F. Stevenson, of Pittsburgh, as cashier.

—The depositors of the First National Bank of Clintonville, Pa., an institution which failed some time ago, have received fifty per cent. of their deposits, amounting to $70,000 and expect to receive an additional thirty-five per cent. of their money. To raise the amount the stockholders were assessed one hundred per cent.

—The semi-annual report of the banks and trust companies of New Jersey shows that the twenty-six savings banks, eighteen state banks and seventy-five trust companies have deposits of $238,892,421, resources of $295,720,815, and $23,931,273 surplus. The savings banks have total resources of $100,405,448. Trust companies' assets amount to $177,746,841, in which is included the surplus fund of $16,246,851. The state banks have resources of $17,269,-524.

—With the payment of about $240,000 on August 10, the German Bank of Buffalo, N. Y., has discharged seventy-two and two-thirds per cent. of its indebtedness to the depositors, since its doors were closed.

—William P. Taylor, a lumber dealer of Manasquan, N. J., has been elected president of the new Manasquan National Bank, the institution which has replaced the failed First National. Captain Henry Wainwright, of Brielle, was elected vice-president. The directors are W. P. Taylor, Capt. Henry Wainwright, Frank Durand, Henry C. Winsor and William J. Couse. The new bank opened for business on August 1.

—Announcement was made at the Treasury Department in Washington on August 10 of the appointment of C. G. Bantz to be Assistant Treasurer of the United States, succeeding the late Major J. F. Meline. This is a promotion for Captain Bantz, who has long been in the service of the Treasurer's office, and will lead to other promotions in the executive force of the Treasurer's branch of the Department.

—Harrison Nesbet, chief clerk in the Department of Commerce and Labor, has been appointed a national bank examiner, and is directed to assume the duties of his office in the Pittsburgh district after a few days spent in preliminary work, receiving instructions in the office of the Comptroller of the Currency. Mr. Nesbet was appointed by direction of Comptroller Murray.

MIDDLE STATES.

—The National Produce Bank of Chicago, just a year old, reports deposits amounting of $841,615. Its capital is $250,000 and surplus and undivided profits $61,034.

—The Chicago monthly bank clearings this year have exceeded $1,000,000,000 only twice, namely, March and July. The March clearings were 3.37 per cent. below those of the same month last year, whereas July clearings were off 7.77 per cent., which is little more than the average decrease this year to date, the decrease for seven months being 7.56 per cent., and the decrease for the first half of the year 7.51 per cent. Seven months' clearings were $6,746,381,018, against $7,298,653,802 last year.

—Robert B. Gregory, president of the Lyon and Healy Company of Chicago, has been elected a director of the Chicago Savings Bank and Trust Company. Many prominent and influential men are included in the directorate of this bank, a fact which undoubtedly appeals to prospective customers.

—Edward F. Bryant, David J. Harris and Claude R. Egan, who have received permission to organize the Roseland State Savings Bank, of Chicago, with $200,000 capital, are president, cashier and secretary respectively of the Pullman Trust and Savings Bank of Chicago.

—The First National Bank of Joliet, Ill., expects to be housed, by next spring, in a magnificent marble building, erected for its exclusive use by the Woodruff Safe Deposit Co. of Joliet, who will own the structure and use the basement with its safety deposit vaults and offices.

A model of the proposed building has been placed on view in the First National's old home, and it has been admired by many people.

It is patterned after the Temple of Jupiter Stator in Rome, with majestic Corinthian columns extending from street line to roof, and is otherwise thoroughly Grecian in type.

Mr. Woodruff, head of the Woodruff Safe Deposit Co. and the builder, has said that he has great faith in the city of Joliet and expects the new building to make it famous.

—The "Banker", published by the First National Bank of Joliet, Ill., has issued a supplement advocating the employment of a paid secretary for the Illinois Bankers' Association and the establishment of permanent headquarters.

—The Commercial Bank of Alexandria, Ind., was recently incorporated as a state bank with a paid-up capital of $25,000. The bank was originally established in 1890 as the Commercial Bank and has today deposits totaling $137,000.

Sylvanus Free is president; Arthur E. Harlan vice-president. and Vernon H. Day cashier, assisted by Anna E. Condo.

—The Bank of Dearborn, Mo., the oldest financial institution in the city, which has been conducted by Benton Gabbert and W. H. Gabbert as a private bank for many years, has been incorporated as a state bank, with a capital of $25,000.

The new bank will retain the old name, with the following officers: President, John Williams; vice-president, Alonzo Drais; cashier, W. H. Gabbert; assistant cashier, W. P. Harrington.

—George Weeks, assistant cashier of the Second National Bank of Lexington, Ky., has been elected cashier to succeed J. P. Shaw, who has resigned.

—On August 10, the Cleveland Trust Company of Cleveland, Ohio, opened its splendid new offices in the Majestic theatre building for the inspection of the public.

A great deal of care has been exercised in planning for and selecting the furniture and various fixtures of the interior and to this end no expense has been spared to make the quarters up-to-date.

Three handsome marble columns rise to the ceiling from the marble counter and to these are attached the partitions which separate the public from the accounting rooms. There are five cages for the receiving and paying tellers, with the savings, commercial and new account departments entirely separate. In the front of the building to the right of the entrance is the office of the manager, while to the left is the ladies' retiring room, which will be handsomely furnished. At the rear of the counting room will be the manager's private office, the vault and safe deposit vault. This latter contains 100 safety deposit boxes and the vault is of the most modern and complete type made at the present time. It was built by the National Safe & Lock Company.

The main floor of the building is of tile, trimmed with marble and slate, and the floors in the offices and rooms are all finished in hardwood. The ceiling contains a spacious dome beautifully ornamented with stucco work and tinted.

One of the most beautiful features of the bank is the entrance. A magnificent golden dome has been constructed over the vestibule. For several days an expert worked at this task and the result is a thing of rare beauty.

—On August 14, the Metropolitan Banking Company of Cleveland, Ohio, disposed of its assets to the Superior Savings & Trust Company. Its deposits amounted to $70,000, and the total value of the property turned over represented a valuation of $120,000. It had only been in business about one year and its officers were as follows: President, W. A. Lincoln; vice-president, W. J. Westgate; vice-president, A. M. Bates; secretary and treasurer, E. K. Hoak; cashier, F. H. Leavenworth; assistant cashier, D. A. Detrick.

There were about 400 depositors and these of course will be looked after by the Superior Savings and Trust Company.

—Upon the approval of the Comptroller of the Currency, the Western National Bank of Louisville, Ky., will be changed to the Continental National Bank and its capital will be reduced from $300,000 to $200,000. But the surplus will be increased from $28,000 to $45,000 and the management will continue unchanged.

SOUTHERN STATES.

—The Planters Bank of Orangeburg, S. C., recently moved into new quarters, having outgrown the old rooms.

The new banking-room is supplied with the latest things in the way of bank fixtures and presents a very attractive appearance. Although the youngest of the city's financial institutions, having commenced business April 15, while the effects of the recent panic were being felt, the Planters has made remarkable progress and a future excellent standing in banking circles is assured. The officers of this bank are: W. C. Wolfe, president; L. M. Dunton and Philip Rich, vice-presidents; W. G. Sease, cashier; Harry Wright, assistant cashier.

—Plans have been perfected whereby the Union Savings Bank of Columbia, S. C., will begin business with a capital stock of $25,000 and the following officers: Joseph Norwood, president; J. H. M. Beatty, vice-president, and E. W. Wilson, cashier.

—Stockholders of the Savannah Bank and Trust Company have voted to increase the capital stock of the company from $350,000 to $700,000. This institution has been doing business since 1869 and with the exception of the Merchants' National, is the oldest bank in Savannah. W. F. McCauley is president.

—On August 5 the Commercial National Bank, a new institution of Macon, Ga., opened for business. All of the officers named are exceptionally strong men, and have the qualifications which will make the bank a success.

E. Y. Mallary, the new president, has been instrumental in making the Commercial and Savings Bank of Macon one of the best in the state and therefore is an experienced banker. The other officers are all men of experience and judgment. Cecil Morgan and J. J. Cobb are the vice-presidents, and E. N. Lewis is cashier.

—The People's Bank & Trust Company of Jacksonville, Fla., has ordered new steel vaults, to be completed by October 1. In the two and a half years of its existence the bank has outgrown its old vaults. Safety deposit boxes will be put in the main vault for the convenience of the public. A new burglar-proof money chest has also been ordered for immediate delivery, and the bank building is also being extensively remodeled. Herbert B. Race was elected president on July 1, being promoted from vice-president.

—At the last semi-annual meeting of the New Farley National Bank of Montgomery, Ala., the directors saw fit to declare a dividend of four and one-half per cent. on the capital stock of the institution and to transact other important business. Two vacancies in the board were filled by the election of A. G. Forbes and Sylvain Baum, the second vice-president, and the directors at this meeting also passed $5,000 to the surplus fund leaving $16,000 to the credit of undivided profits. This last transaction is one the bank may well be proud of, for it represents but a year and a half of actual existence in the banking field.

—The consolidation of the First National Bank of Hattiesburg, Miss., with the National Bank of Commerce of that city became effective on August 6. The united bank bears the title, First National Bank of Commerce, and it has a paid-up capital of $425,000. The management is as follows: J. P. Carter, president; F. W. Foote, acting vice-president; G. L. Hawkins and John Kamper, vice-presidents; R. C. Hauenstein, cashier; G. J. Hauenstein, assistant cashier. F. L. Peck, president of the Mississippi Central R. R., and J. T. Jones, president of the Gulf & Ship Island R. R., are members of the directorate.

—The Peoples Bank and Trust Company of Tupelo, Miss., has increased its capital stock from $75,000 to $100,000. Since its organization four years ago this institution has made an excellent record, and is one of the most profitable and rapidly growing banks in the state. A stock dividend of twenty per cent. has already been declared which makes a total dividend of fifty-eight per cent. paid the shareholders since organization. The officers are: J. J. Rogers, president; W. S. Johnson, vice-president; S. J. High, cashier and S. S. Harris, assistant cashier.

—A consolidation was recently effected between the First State Bank of McKenzie, Tenn., and the Citizens' Bank and Trust Company of the same place. The allied banks are known as the Citizens State Bank, with Ed. Moseley of the former institution and Geo. McKenzie, of the latter, in charge.

—Papers have been formally signed for the consolidation of the Colonial and Cosmopolitan banks of New Orleans, and the creation of a new institution to succeed them. The new bank will be called the Mercantile Bank and Trust Company. Its location is not decided on, but there is a possibility that it will be in the fine banking rooms of the Cosmopolitan bank in Carondelet street.

The Colonial had a capital stock of $300,000, and the Cosmopolitan of $600,000. They

were formed about two years ago, the Colonial locating in Camp street. Mr. Charles Claiborne is president of the Cosmopolitan and Mr. George C. Friedrichs of the Colonial.

The new bank is to have a capital of $360,000 and a surplus of $90,000, making a total of $450,000. The present institutions will be liquidated and the strength of each put into the new bank, which will be stronger, of course, than either of its predecessors.

No officers have as yet been agreed on, but the directorates of both institutions will be represented on the board of the Mercantile.

Both of the banks had capitalists of standing interested in them and each had a large and excellent clientele. It is expected that the Mercantile will be able to control the cream of the business which the two institutions have been enjoying.

—The new Farmers' State Bank of Grainger, Texas, with a capital stock of $35,000, has elected the following directors: W. M. Hill, J. T. Benard, John Scott, O. M. Breeden, J. F. Pope, Joe Ceroinka, G. W. Haire, W. P. Young, I. D. Benson. The officers are: I. F. Pope, president, John Scott, W. M. Hill and W. P. Young, vice-presidents; I. D. Benson, cashier.

—Several changes have been made in the official family of the Park Bank and Trust Co., of Beaumont, Texas.

T. W. Garrett, who has been cashier of this institution for several years, has been promoted to be active vice-president. He is succeeded by F. M. Law of Bryan, Texas. During the three and a half years that Mr. Garrett served as cashier, the deposits increased from $68,000 to $783,000. This is an able tribute to his ability.

Mr. Law, the new cashier, was for eleven years connected with the First National Bank of Bryan, Texas, five of them as assistant cashier.

The officers of the Park Bank and Trust Company as now constituted are as follows: J. Frank Keith, president; Geo. W. Carroll, Hugh Jackson, Frank Lopez, and T. W. Garrett, vice-presidents; F. M. Law, cashier, assisted by O. A. Ross.

WESTERN STATES.

—On August 16, the Enid National Bank of Guthrie, Okla., capitalized at $100,000, with deposits of $800,000 liquidated, surrendered its national charter, and reorganized under the Oklahoma guaranty laws. A number of other national banks are now preparing to take out state charters in order to avail themselves of the state guaranty laws.

—A consolidated statement of the condition of all the state banks in the State of Oklahoma, issued by the State Banking Department, shows this class of banks to have a combined capital stock of $6,795,050; a combined surplus of $585,951.59; individual deposits of $21,216,526; undivided profits of $707,610; and an average reserve of 41.5 per cent.

—The Live Stock National Bank of South Omaha, Neb., which began business last December, has added two assistant cashiers to its force. They are H. C. Nicholson and J. W. Hastings.

—Miss Minnie Hall has resigned as assistant cashier of the Farmers & Merchants' Bank of Friend, Neb., and has gone to Grafton, Neb., to accept a position in a bank there.

—The Bank of Austin, Nev., one of the oldest banks of that place, has closed its doors. According to the cashier, J. A. Miller, Jr., however, it is a temporary suspension, as he says the bank has $41,000, including loans, and $20,000 cash, and owes about the same amount. The embarrassment was caused by slow collections.

—The State Bank of Gilcrest, Colo., is the title of a new bank just organized. It has started business with a capital stock of $20,000 and these officers: M. A. Selby, Des Moines, Ia., president; W. K. Gilcrest, of Gilcrest, Colo., vice-president; H. U. Keasey, also of Des Moines, cashier. These three, with P. H. Lorenz and Fred Johnson, two prominent farmers in the vicinity of Gilcrest, and A. L. Lindner and P. W. Allen of Greeley, constitute the board of directors.

—Charles Fletcher has succeeded I. A. Vaut as president of the Denver (Colo.) Stockyards Bank. Mr. Vaut assumes the presidency of the St. Joseph (Mo.) Stockyards Bank, which is one of a chain of banks controlled by the National Packing Co.

—The Gooding State Bank, of Jerome, Idaho, has been organized with a capital stock of $10,000. Governor F. R. Gooding is president, Fred W. Hastings, vice-president, and J. B. Brubocher, cashier. These, with R. H. Traill and C. H. Chapin, constitute the board of directors.

—Two banks of Shoshoni, Wyo., the Wind River Bank and the First National have consolidated and are now doing business under the name of the First National Bank.

A. J. Cunningham is president; J. De F. Richards vice-president, and H. J. Shaad, cashier.

PACIFIC STATES.

—The Bank of Greater San Francisco (Cal.) will pay its depositors in full and go out of business. The Bank Commissioners took charge of the bank on February 12, 1908, because the cash reserve had run too low. There is about $22,920 in deposits, but the assets, it is asserted, will easily pay dollar for dollar to the depositors. The bank was a small one, being capitalized at only $25,000. Charles Pool was its president.

—The strength of the First National Bank of San Francisco is seen in its capital, surplus and profits of $4,750,000. Their cash in vault is $2,159,000. The deposits are over $10,000,000, and their totals are $17,290,000. It is the oldest national bank in the state of California and managed according to the best traditions in banking. The officers are: Rudolph Spreckles, president; James K. Lynch, vice-president; J. K. Moffit, cashier, and J. H. Skinner and C. H. McCormick, assistant cashiers.

—The First International Bank of Kennewick, Wash., has opened for business in a new banking house just erected expressly for its use. The officers of the bank are: President, S. M. Lockerby; vice-president, C. W. Lockerby, and cashier, H. E. Johnson. It has a capital stock of $25,000.

—The Puget Sound Savings & Loan Company, of Seattle, Wash., has just distributed a semi-annual dividend of five per cent. to its shareholders. This rate has been declared for the past six years. This concern is mutual, and does a building and loan business. The directors are: A. Chilberg, E. B. Burwell, H. C. Ewing, W. J. Colkett and R. Campbell, secretary.

—The annual meeting of the Waterville Savings Bank, of Waterville, Wash., was held recently, and the following officers were elected: President, C. T. Hansen; vice-president, F. E. Weston; cashier, George P. Wiley; assistant cashiers, Robert Wittier and Mrs. L. W. Kincaid. The stockholders expressed themselves as well satisfied with the condition of the bank.

—E. B. Sweet has resigned as cashier of the First State Bank of Prescott, Wash., and T. J. Fleischer of Spokane has been appointed in his stead.

—The Central Oregon Banking & Trust Company of Bend, Oregon, will soon be superseded by an institution known as the First National Bank. The new bank will have a capitalization of $25,000 fully paid up. The assets of the old concern will be taken over by the new organization, at a valuation fixed by and under the approval of the National Bank Examiner. The stockholders are: C. S. Hudson, cashier of the First National Bank of Canon City, Colo., who resigns to come to Bend; John Steidl, Dr. U. C. Coe, E. A. Sather, Roscoe Howard, C. S. Benson, and Chas. D. Rowe, of Bend; F. F. Smith, of Gist; Robert Smith, of Sisters.

—C. S. Marvin, cashier of the First National Bank of Laurel, Mont., has resigned and will be succeeded as cashier by John H. Ladd, of Sheridan, Wyo. On leaving the institution, with which he has been connected since its organization, nearly two years ago, the board of directors passed a resolution highly commending Mr. Marvin for his faithful work as cashier of the bank, and highly recommending him.

CANADA.

—The Imperial Bank of Canada has opened a branch at Michel, B. C.

—The unclaimed balances in the chartered banks of Canada amount to $586,246.

—Canadian banks now have 1,895 branches distributed as follows: In Canada 1,846, in Newfoundland 5, elsewhere 44.

—The Imperial Trust Co. will erect a $600,000 building at Vancouver, B. C.

—Two more branches have been established by the Merchants Bank of Canada, bringing the number of branches up to one hundred and nineteen. One of the new branches is located at Wainwright, Alberta, and is in charge of H. G. Morison; the other is at Melville, Sask., and is in charge of I. R. Shanoman.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Des Moines, N. M.; by J. F. Branson, et al.
First National Bank, Harlowton, Mont.; by W. O. Straight, et al.
Farmers & Miners' National Bank, Forest City, Pa.; by H. P. Johns, et al.
Citizens' National Bank, Shenandoah, Pa.; by J. A. Mandour, et al.
First National Bank, Staunton, Ill.; by Geo. H. Fisher, et al.
First National Bank, Coachella, Cal.; by J. C. F. Hull, et al.
First National Bank, Monroe, Wash.; by E. Milton Stephens, et al.
First National Bank, Mount Auburn, Ill.; by J. D. Henderson, et al.
First National Bank, Howard, Pa.; by Matthew Rodgers, et al.
Merchants' National Bank, Cape May, N. J.; by Joseph H. Hanes, et al.
Musselshell Valley National Bank, Harlowton, Mont.; by A. C. Graves, et al.
First National Bank, Beech Grove, Ind.; by John Wocher, et al.
First National Bank, Bend, Oreg.; by C. S. Hudson, et al.
The Charlotte National Bank, Charlotte, N. Y.; by William B. Reed, Jr., et al.
First National Bank, North Wilkesboro, N. C.; by W. F. Trogdon, et al.
Newville National Bank, Newville, Pa.; by J. S. Elliott, et al.
Citizens' National Bank, Alexandria, Ind.; by Carl M. Sisk, et al.
First National Bank, Kerman, Cal.; by E. J. Barnes, et al.
First National Bank, Linn, Kans.; by H. J. Meirkord, et al.
City National Bank, Council Bluffs, Ia.; by T. G. Turner, et al.
Third National Bank, Union City, Tenn.; by John T. Walker, et al.
First National Bank, Cressona, Pa.; by Chas. F. Beck, et al.
Farmers' National Bank, Leechburg, Pa.; by W. F. Hill, et al.
Citizens' National Bank, Wayne, Neb.; by D. C. Main, et al.
First National Bank, Bremerton, Wash.; by E. W. Andrews, et al.
Farmers' National Bank, Newport, Ark.; by Wm. N. Dunaway, et al.
German-American National Bank, Hopedale, Ill.; by R. H. Keyes, et al.
First National Bank, Bordentown, N. J.; by James Tantum, et al.
First National Bank, Penbrook, Pa.; by W. F. Hill, et al.

Applications for Conversion to National Banks Approved.

Farmers & Merchants' Bank, Boonville, Ind.; into Farmers & Merchants' National Bank.
Hardin County State Bank, Eldora, Ia.; into Hardin County National Bank.
Barton County State Bank, Hoisington, Kans.; into First National Bank.
Bank of Commerce, Louisville, Ky.; into National Bank of Commerce.
First Bank, Nome, N. D.; into First National Bank.
Whitman County State Bank, Rosalia, Wash.; into Whitman County National Bank.

National Banks Organized.

9196—First National Bank, Okolona, Miss.; capital, $25,000; Pres., C. R. King; Vice-Pres., E. S. Elliott; Cashier, A. L. Jagoe.
9197—First National Bank, Bonner Springs, Kans.; capital, $25,000; Pres., Lewis Kreeck; Vice-Pres., D. S. Haines; Cashier, Geo. L. Kreeck.
9198—People's National Bank, Mount Pleasant, Pa.; capital, $50,000; Pres., Chas. R. Ferner; Cashier, W. E. Shope.
9199—First National Bank, Richwood, O.; capital, $25,000; Pres., H. J. Brooks; Vice-Pres., Edw. A. Schambs; Cashier, L. J. McCoy.
9200—Shelton National Bank, Shelton, Neb.; capital, $25,000; Pres., Jacob Bernhard; Vice-Pres., L. F. Stockwell; Cashier, C. A. Robinson; Asst. Cashier, E. H. Spicer. Conversion of Shelton Bank.
9201—First National Bank, Milton, Oreg.; capital, $50,000; Pres., H. L. Frazier; Vice-Pres., Wm. Talbert; Cashier, N. A. Davis; Asst. Cashiers, T. C. Frazier and E. J. Davis. Conversion of Bank of Milton with Branch at Freewater.
9202—First National Bank, Riegelsville, Pa.; capital, $25,000; Pres., Lee S. Clymer; Vice-Pres's., R. A. Shimer and John B. Poore; Cashier, Henry Wells.
9203—First National Bank, Forest City, N. C.; capital, $25,000; Pres., G. E. Young; Vice-Pres., G. P. Reid; Cashier, W. W. Hicks. Conversion of Forest City Bank.
9204—First National Bank, Ripley, Miss.; capital, $25,000; Pres., H. P. Luna; Vice-Pres's., T. J. Cole and C. F. Morgan; Cashier, J. A. Smallwood.
9205—First National Bank, Kosse, Tex.; capital, $25,000; Pres., R. J. Garrett; Vice-Pres., C. O. Robertson; Cashier, W. L. Forbes; Asst. Cashier, Lee Brady.
9206—First National Bank, Middleport, N. Y.; capital, $25,000; Pres., George R. Sheldon; Vice-Pres's., Chas. B. Shafer and Edgar Knapp; Cashier, Everett A. Pearce.
9207—Littlestown National Bank, Littlestown, Pa.; capital, $25,000; Pres., Geo. S. Kump; Vice-Pres., S. D. Mehring; Cash-

ier, W. R. Robinson; Asst. Cashier, Paul G. Hartman.

9208—Farmers First National Bank, Minooka, Ill.; capital, $25,000; Pres., James P. Clennon; Vice-Pres., John W. Bwyer; Cashier, David A. Henneberry.

9209—First National Bank, Shirley, Ind.; capital, $25,000; Pres., Wm. W. Beeson; Vice-Pres., L. A. Johnson; Cashier, Jno. R. Kitterman. Conversion of First State Bank.

9210—First National Bank, Harrington, Wash.; capital, $50,000; Pres., Harry Ochs; Vice-Pres., Thos. H. Brewer; Cashier, W. W. Downie.

9211—First National Bank, New Paris, Ohio; capital, $25,000; Pres., Saml. W. Gaar; Vice-Pres., C. A. Hawley; Cashier, M. H. Pence; Asst. Cashier, Marie E. Peelle.

9212—Commercial National Bank, Macon, Ga.; capital, $125,000; Pres., E. Y. Mallory; Vice-Pres's., Cecil Morgan and J. J. Cobb; Cashier, E. N. Lewis.

9213—Manasquan National Bank, Manasquan, N. J.; capital, $50,000; Pres., Wm. P. Taylor; Vice-Pres., Hy. Wainright; Cashier, Randolph D. West.

9214—First National Bank, Ryder, N. D.; capital, $25,000; Pres., Aug. Peterson; Vice-Pres., H. E. Johnson; Cashier, C. H. Christiansen.

9215—First National Bank, Hardin, Mont.; capital, $25,000; Pres., J. B. Arnold; Cashier, E. A. Howell.

9216—First National Bank, Intercourse, Pa.; capital, $35,000; Pres., Willis R. Knox; Vice-Pres's., Jno. L. Leaman and Elmer K. Denlinger; Cashier, Amos Hassler.

9217—First National Bank, Tilden, Neb.; capital, $50,000; Pres., J. M. Kingery; Vice-Pres., Hy. Schumacher; Cashier, H. W. Kingery; Asst. Cashier, W. E. Brogan. Conversion of Tilden State Bank.

9818—First National Bank, Rochester, Mich.; capital, $50,000; Pres., Jno. C. Day; Vice-Pres's., Chas. S. Chapman and Frank H. Hale; Cashier, Chas. S. Chapman.

9219—Peoples National Bank, Brooklyn, N. Y.; capital, $200,000; Pres., Geo. W. Spence; Vice-Pres., Geo. C. Miller; Cashier, J. B. Korndorfer.

9220—Alameda National Bank, Alameda, Cal.; capital, $100,000; Pres., J. E. Baker; Vice-Pres., J. L. Borden; Cashier, Chas. E. Tabor; Asst. Cashier, W. M. McKean. Conversion of Bank of Alameda.

9221—National Bank, Hudson, O.; capital, $25,000; Pres., A. H. Dittrick; Vice-Pres., T. B. Terry; Cashier, H. H. Croy.

9222—Peoples National Bank, Farmville, Va.; capital, $25,000; Pres., G. M. Robeson; Vice-Pres., E. T. Bondurant; Cashier, J. L. Bugg; Asst. Cashier, A. C. Ogburn, Jr.

9223—First National Bank, Adams, Neb.; capital, $25,000; Pres., L. B. Howey; Vice-Pres., J. W. McKibbin; Cashier, F. B. Draper. Conversion of State Bank.

9224—First National Bank, Blackstone, Va.; capital, $60,000; Pres., H. C. Barrow; Vice-Pres's., Hy. Stokes and J. A. Sydnor; Cashier, S. L. Barrow; Asst. Cashiers, H. H. Irby and B. T. White.

NEW STATE BANKS, BANKERS, ETC.

CALIFORNIA.

Dorris—Butte Valley State Bank; capital, $25,000; Pres., S. E. De Racken; Vice-Pres., J. F. Mitchell; Cashier, F. C. Stitser.

FLORIDA.

Arcadia—W. H. Simmons & Co.; capital, $10,000; Pres., M. P. Simmons; Cashier, W. H. Simmons.

IDAHO.

Jerome—Jerome State Bank; Pres., W. S. Kuhn; Vice-Pres., D. C. MacWatters; Cashier, C. H. Chapin.

INDIANA.

Yorktown—Yorktown Banking Co.; capital, $10,000; Pres., John S. Huffer; Vice-Pres., Wm. Sunderland; Cashier, R. S. Cummins.

KANSAS.

Brownell—Brownell State Bank; capital, $10,000; Pres., E. S. Chenoweth; Vice-Pres., Ira Butler; Cashier, Carl Newcomer.

Dexter—Farmers & Merchants State Bank; capital, $10,000; Pres., W. H. Bolton; Vice-Pres., J. T. Riggs; Cashier, Frank C. Raub.

Highland—Farmers State Bank; capital, $15,000; Pres., E. C. Winzer; Vice-Pres., J. F. Stricker; Cashier, C. C. Webb.

Scottsville—State Bank; capital, $10,000; Pres., F. M. Daily; Vice-Pres., A. T. Rogers; Cashier, F. M. McCauley.

Whiting—Farmers State Bank; capital, $12,500; Pres., F. E. Myers; Vice-Pres., J. Q. Brown; Cashier, L. D. Harrison.

MICHIGAN.

Weidman—Weidman Banking Co.; Pres., John S. Weidman; Vice-Pres., John A. Damon; Cashier, Floyd Mitchell.

MINNESOTA.

Brainerd—Security State Bank; capital, $25,000; Pres., J. H. Guerin; Vice-Pres., Geo. Storck; Cashier, E. A. Storck.

NEBRASKA.

Adams—Farmers Bank; capital, $25,000, Pres., G. U. Meeker; Vice-Pres., W. E. Bryson; Cashier, Frank R. O'Neil.

NORTH CAROLINA.

Elkin—Farmers & Merchants Bank; Pres., N. S. Reich; Vice-Pres., T. V. Foote; Cashier, W. S. Gough; Asst. Cashier, J. E. Sharpe.

NORTH DAKOTA.

Concrete—State Bank; capital, $20,000; Pres., E. J. Lander; Vice-Pres., John F. Crimmons; Cashier, G. T. Sonsterund.

Driscoll—Driscoll State Bank; capital, $10,000; Pres., Geo. H. Niles; Vice-Pres., S. J. Simonson; Cashier, Geo. V. Cunningham.

OKLAHOMA.

Millerton—Bank of Millerton; capital, $10,000; Pres., B. Miller; Vice-Pres., Ben Miller, Jr.; Cashier, Nat Taylor; Asst. Cashier, L. B. Miller.
Muskogee—Oklahoma Trust Co.; capital, $200,000; Pres., J. B. Jones; Vice-Pres., R. S. Litchfield; Cashier, A. T. Aleson; Asst. Cashier, Frank Windus.
Pryor Creek—First State Bank; capital, $10,000; Pres., O. O. Snyder; Vice-Pres's., Wm. J. Oliver and W. H. Oliver; Cashier, W. L. Jones.

OREGON.

Lents—Mount Scott Bank; capital, $5,000; Pres., Aug. Franke; Cashier, J. C. Law.

SOUTH CAROLINA.

Clinton—Peoples Bank; Pres., B. H. Boyd; Vice-Pres., M. S. Bailey; Cashier, R. J. Copeland, Jr.

SOUTH DAKOTA.

Houghton—Bank of Houghton; capital, $5,500; Pres., J. H. Duerr; Vice-Pres., A. W. Campbell; Cashier, J. C. Campbell.

TENNESSEE.

Coal Creek—Citizens Bank; capital, $8,000; Pres., E. M. Beasley; Vice-Pres., G. M. Camp; Cashier, E. F. Foster; Asst. Cashier, M. H. Irwin.

TEXAS.

Granger—Farmers State Bank; capital, $35,000; Pres., J. F. Pope; Vice-Pres., Jno. Scott; Cashier, I. D. Benson; Asst. Cashier, Draughn Gardner.
Saratoga—Saratoga State Bank; capital, $10,000; Pres., R. S. Sterling; Vice-Pres., Chas. G. Hooks; Cashier, Hugh A. Lay.
Weimar—First State Bank; capital, $25,000; Pres., J. B. Holman; Vice-Pres., B. H. Walker; Cashier, Forrest B. Holman; Asst. Cashier, Will F. Miller.
Wheeler—Citizens State Bank; capital, $10,000; Pres., E. E. Holt; Vice-Pres., J. E. Stanley; Cashier, D. E. Holt; Asst. Cashier, R. B. Holt.

UTAH.

Green River—Fruit Growers State Bank; capital, $25,000; Pres., Doren Perrine; Vice-Pres., Geo. E. Thurman.

VIRGINIA.

Drakes Branch—State Bank of Charlotte County; succeeded Bank of Chase City (Branch); capital, $25,000; Pres., Geo. B. Russell; Vice-Pres., L. S. Jackson; Cashier, W. H. Pettus, Jr.

WASHINGTON.

Raymond—Willapa Harbor State Bank; capital, $50,000; Pres., C. S. Gilchrist; Vice-Pres., R. L. McCorkick; Cashier, H. W. MacPhail; Asst. Cashier, C. W. Reed.

ALBERTA.

Wainwright—Merchants Bank of Canada; Mgr., H. G. Morison.

SASKATCHEWAN.

Melville—Merchants Bank of Canada; Mgr., I. R. Shanoman.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Brundige—First National Bank; W. G. Gilmore, Cashier, in place of A. G. Seay.
Hopkinsville—Citizens Savings Bank; Gus T. Brannon, Pres.
Luverne—First National Bank; W. B. Ruff, Asst. Cashier.
Oneonta—Oneonta Trust & Banking Co.; J. A. Brice, Pres.; Thos. B. Russell, Vice-Pres.

ARKANSAS.

Bonanza—First Bank; title changed to First State Bank; C. R. Breckinridge, Pres.; L. C. Smith, Vice-Pres.; F. P. McConnell, Cashier; A. Bailey, Asst. Cashier.
El Dorado—Citizens National Bank; Geo. S. Miles, Pres., in place of Jno. C. Ritchie; H. C. McKinney, Vice-Pres.
Little Rock—German National Bank; O. P. Robinson, Second Vice-Pres.

CALIFORNIA.

Los Angeles—Commercial National Bank; Newman Essick, Cashier, in place of Chas. N. Flint; R. S. Heaton, Asst. Cashier, in place of Newman Essick.
Redlands—Citizens National Bank; no Asst. Cashier in place of O. W. Fox.
Santa Maria—First National Bank; Ernest H. Gibson, Cashier, in place of Jno. E. Walker.
Whittier—First National Bank; A. Hadley, Pres., in place of Washington Hadley; Ralph McNees, Cashier, in place of A. Hadley.

COLORADO.

Carbondale—First National Bank; no Vice-Pres. in place of J. T. Dalton, deceased.

CONNECTICUT.

Collinsville—Collinsville Savings Society; F. M. Mills, Pres.; J. C. Aldrich and C. A. Farnham, Vice-Pres's.; H. C. Sanborn, Secy. and Treas.
Greenwich—Greenwich Savings Bank; John Dayton, Pres., deceased.
Rockville—Peoples Savings Bank; E. H. Preston, Pres., in place of W. H. Prescott; Jno. E. Fiske, Vice-Pres.

DELAWARE.

Newark—National Bank; H. E. Vinsinger, Cashier, in place of J. H. Hossinger.

GEORGIA.

Americus—Americus National Bank; Frank P. Harrold, Vice-Pres., in place of Crawford Wheatley.

IDAHO.

Mountain Home—Citizens State Bank; Shelton T. Robert, Cashier, deceased.

ILLINOIS.

Chicago—Colonial Trust & Savings Bank; R. C. Keller, Cashier, in place of G. H. Coney, resigned.—J. V. Farwell & Co.; John V. Farwell, resigned.
East St. Louis—City National Bank; Geo. W. Brichler, Vice-Pres., in place of A. B. Daab.

INDIANA.

Alexander—Commercial Bank; title changed to Commercial State Bank; capital increased to $25,000; Arthur E. Harlan, Vice-Pres.; Vernon H. Day, Cashier.
Gary—First National Bank; T. T. Snell, Pres., in place of T. P. Phillips; no Vice-Pres. in place of T. T. Snell.
Milton—Farmers Bank; M. D. Doddridge, Pres.; C. O. Hurst, Vice-Pres.
Mishawaka—First National Bank; E. N. Johnson, Cashier, in place of J. D. Rising.
Mitchell—First National Bank; Albert B. Hall, Vice-Pres., in place of W. M. Keane, deceased.
North Vernon—First National Bank; Lincoln Dixon, Vice-Pres.

IOWA.

Ames—Ames Savings Bank; V. A. Sylvester, Vice-Pres.; M. A. Manning, Cashier.
Clinton—Merchants National Bank; G. E. Wilson, Pres., in place of W. T. Joyce.
Eldora—First National Bank; W. J. Murray, Pres., in place of J. H. Bales; W. J. Moir, Vice-Pres., in place of W. J. Murray.
La Porte City—First National Bank; J. H. Lunemann, Pres., in place of R. A. Perkins; R. A. Perkins, Vice-Pres., in place of W. D. Wagoner; C. B. Gingrich, Cashier, in place of J. H. Lunemann.
Little Rock—First National Bank; H. L. Filsborough, Asst. Cashier.
Lyons—First National Bank; Stephen Briggs, Pres., in place of W. T. Joyce.

KANSAS.

Ellsworth—Central National Bank; Geo. T. Tremble, Pres., in place of B. S. Westfall; B. L. Gardanier, Cashier, in place of Geo. T. Tremble.
Hutchinson—Commercial National Bank; A. H. Suter, Cashier, in place of Earl N. Sapp.
Lawrence—Lawrence National Bank; I. J. Meade, Vice-Pres.; Geo. W. Kuhne, Cashier, in place of Paul R. Brooks.
Wichita—National Bank of Commerce; C. W. Carey, Pres., in place of A. C. Jobes; J. H. Stewart, Second Vice-Pres.; F. A. Russell, Cashier, in place of C. W. Carey; no Asst. Cashier in place of F. A. Russell.

KENTUCKY.

Lexington—First National Bank; L. G. Cox, Pres., in place of Jno. T. Shelby; H. K. McAdams, Vice-Pres., in place of Jno. Gund, Jr.; J. P. Shaw, Cashier, in place of J. M. Bell.

LOUISIANA.

New Orleans—Colonial Bank & Trust Co. and Cosmopolitan Bank & Trust Co. will consolidate under title of Mercantile Bank & Trust Co.

MAINE.

Bangor—Bangor Savings Bank; Everett F. Rich, Treas., in place of John L. Crosby, deceased.
Skowhegan—Second National Bank; Rupert E. Jackson, Asst. Cashier.

MARYLAND.

Baltimore—Commercial & Farmers National Bank; no Asst. Cashier in place of Chas. E. C. Smith.

MASSACHUSETTS.

Boston—State National Bank; Allen Curtis, Vice-Pres.
Haverhill—Merrimack National Bank; A. P. Tenney, Cashier, in place of Ubert A. Killam.
Lee—Lee National Bank; Mark T. Robbins, Pres., in place of C. C. Holcombe, deceased; no Vice-Pres. in place of Mark T. Robbins.
Westfield—Hampden National Bank; no Pres. in place of Lewis R. Norton, deceased.

MICHIGAN.

Centerville—Wolf Bros. State Bank; Samuel J. Wolf, Pres., deceased.
Grand Rapids—Fifth National Bank and Commercial Savings Bank; consolidated under latter title; capital, $200,000; Robt. D. Graham, Pres.; C. B. Kelsey, Vice-Pres.
Kalamazoo—City National Bank; C. A. Peck, Pres., in place of E. C. Dayton; W. R. Beebe, Vice-Pres., in place of C. A. Peck; H. W. Parker, Cashier, in place of W. R. Beebe; no Asst. Cashier in place of H. W. Parker.
Marquette—First National Bank; L. G. Kaufman, Pres., in place of Peter White; no Vice-Pres. in place of L. G. Kaufman.

MINNESOTA.

Bemidji—First National Bank; A. G. Wedge, Jr., Vice-Pres., in place of P. J. Sheldon.
Braham—First National Bank; L. V. Skoglund, Asst. Cashier, in place of C. A. Roman.
Foley—State Bank; Jas. J. Ponsford, Pres.; Gust. J. Parent, Vice-Pres.; Lawrence Wisniewski, Asst. Cashier.
Frazee—First National Bank; J. A. Nichols, Pres., in place of A. H. Wilcox, deceased; no Vice-Pres. in place of J. A. Nichols.
Le Sueur Center—First National Bank; T. J. Lynch, Vice-Pres.
Luverne—Farmers' National Bank; S. A. Coss, Asst. Cashier.

MISSISSIPPI.

Hattiesburg—First National Bank, and National Bank of Commerce under title of First National Bank of Commerce.

MISSOURI.

Cainesville—First National Bank; Chas. Girdner, Cashier, in place of R. W. Boeger; no Asst. Cashier in place of Chas. Girdner.
St. Joseph — German American National Bank; R. R. Calkins, Vice-Pres.; Walter W. Head, Cashier, in place of R. R. Calkins.

NEBRASKA.

David City—First National Bank; Emil Kavalec, Asst. Cashier, in place of Anton Wolff.
Dunbar—Dunbar State Bank; J. B. Lichtenwallner, Pres., in place of Henry Kruse, deceased.
Pilger—First National Bank; J. E. Anderson, Cashier, in place of J. A. Schaberg.
South Omaha—Live Stock National Bank; H. C. Nicholson and J. W. Hastings, Asst. Cashiers.
Wilcox—First National Bank—R. F. Johnson, Asst. Cashier, in place of L. Minkner.
Wisner—First National Bank; Jacob Frickel, Jr., Asst. Cashier.
Wood River—First National Bank; F. E. Slusser, Pres., in place of O. W. Eaton; O. W. Eaton, Vice-Pres., in place of F. E. Slusser; Harry S. Eaton, Cashier, in place of F. M. Penney; R. R. Root, Asst. Cashier, in place of Harry S. Eaton.

NEW JERSEY.

Camden—First National Bank—W. S. Ayres, Asst. Cashier.
Hackettstown—Hackettstown National Bank; P. Louis Smith, Asst. Cashier.
Wildwood—Marine National Bank; C. G. Eldredge, Cashier; no Asst. Cashier in place of C. G. Eldredge.

NEW MEXICO.

Alamogordo—Citizens' National Bank; J. R. Gilbert, Cashier, in place of B. Palmer; T. G. Chandler, Asst. Cashier.
Elida—First National Bank; J. H. Gee, Vice-Pres., in place of Chas. Woodcock, who succeeded B. H. Marsh.
Farmington—San Juan County National Bank; H. L. Andrews, Vice-Pres., in place of Otto Behrend.

NEW YORK.

Brooklyn—Williamsburg Savings Bank; Jeremiah V. Meserole, Pres., deceased.
Greenport—First National Bank; E. B. Harris, Vice-Pres.; F. B. Corey, Cashier, in place of E. B. Harris; no Asst. Cashier in place of F. B. Corey.

Hudson—First National Bank; Nathl. Tuttle, Vice-Pres.
Kingston—Rondout National Bank; Howard Chipp, Vice-Pres., in place of John B. Alliger.
Liberty—Sullivan County National Bank; Wm. Morrison, Vice-Pres., in place of S. N. Smith.
Middleport—First National Bank; John J. Mack, Cashier, in place of E. A. Pearce.
New York City—Twelfth Ward Bank; Frank B. French, Pres.
Northport—First National Bank; D. S. Garland, Pres., in place of Edw. Pidgeon; Edwin N. Rowley, Vice-Pres., in place of D. S. Garland.
Rochester—Alliance Bank; Hobart F. Atkinson, Pres., deceased.

NORTH CAROLINA.

Lincolnton—County National Bank; R. S. Reinhardt, Vice-Pres., in place of R. M. Roseman.

NORTH DAKOTA.

Hatton—Farmers and Merchants' National Bank; O. Eielson, Cashier, in place of T. E. Nelson.
Kenmare—First National Bank, Chas. J. Weiser, Pres., in place of E. J. Weiser.

OHIO.

Ashtabula—Marine National Bank; W. S. McKinnon, Pres., in place of Ed. S. Henry, deceased.—National Bank; H. R. Faulkner, Cashier, in place of B. B. Seymour; no Asst. Cashier in place of H. R. Faulkner.
Cincinnati—First National Bank; John J. Rowe, Asst. Cashier.
Covington—Citizens' National Bank; A. W. Landis, Cashier, in place of D. E. Faul; no Asst. Cashier in place of A. W. Landis.
Marietta—German National Bank; J. W. Alderton, Second Vice-Pres.
Miamisburg—First National Bank; Chas. F. Eck, Cashier, in place of H. G. Catrow; C. A. Schuster, Asst. Cashier, in place of Chas. F. Eck.—Miamisburg Banking Co.; James M. Luburgh, Pres.; Jacob J. Wiesner, Vice-Pres.
Sidney—Citizens' National Bank; H. W. Thompson, Pres., deceased.
Wellington—First National Bank; J. T. Haskell, Pres., in place of S. S. Warner, deceased.

OKLAHOMA.

Cherokee—First National Bank; O. S. Young, Cashier, in place of H. W. Moore.
Cushing—Farmers' National Bank; E. J. Douglass, Vice-Pres., in place of F. W. Rotterman.
Guthrie—Guthrie Savings Bank; Eugene A. Beyer, Pres.; J. S. Shearer, Vice-Pres.
Henryetta—First National Bank; J. M. Wise, Pres., in place of A. B. Dunlap; G. W. Burnett, Vice-Pres., in place of J. M. Wise; W. L. Sullins, Asst. Cashier.
Lawton—Lawton National Bank; N. T. Gilbert, Vice-Pres.; Frank L. Ketch, Cashier, in place of N. T. Gilbert.

Milburn—First National Bank; J. W. Walker, Cashier, in place of C. D. Nesbit; Lucas L. Caldwell, Asst. Cashier, in place of J. W. Walker.
Mill Creek—Merchants and Planters' National Bank; E. M. Frost, Pres., in place of Felix Penner; J. T. Graham, Vice-Pres., in place of E. M. Frost.
Muskogee—First National Bank; F. C. Hubbard, Pres., in place of J. L. Dabbs; no Vice-Pres. in place of F. C. Hubbard.
Pauls Valley—First National Bank; Tom Grant, Pres., in place of S. J. Garvin; J. E. Burch, Jr., Vice-Pres., in place of Tom Grant.
Talequah—Cherokee National Bank; no Cashier in place of F. H. Gosman, Jr.
Waurika—Citizens' National Bank; A. A. Brenneman, Vice-Pres., in place of W. P. Harper.

OREGON.

Portland—Lumbermen's National Bank; Geo. L. McPherson, Vice-Pres.

PENNSYLVANIA.

Annville—Annville National Bank; C. V. Henry, Vice-Pres., in place of H. H. Kreider, deceased.
Emlenton—Farmers' National Bank; Jno. A. Weller, Pres., in place of James Bennett; J. M. Grant, Vice-Pres., in place of J. G. Lamberton; C. F. Stevenson, Cashier, in place of Claude Slicker.
Grove City—People's National Bank; title changed to Grove City National Bank.
Hickory—Farmers' National Bank; T. M. Berryhill, Vice-Pres., in place of W. F. Caldwell; H. W. Denny, Asst. Cashier.
New Kensington—First National Bank; F. E. Pratt, Cashier, in place of J. L. Spiegel.
Philadelphia—Bioren & Co., and E. C. Miller & Co.; merged under former title. —Investment Trust Co.; title changed to Independence Trust Co.
Pittsburgh—Fourth National Bank; J. S. M. Phillips, Cashier, in place of J. T. Wachob; no Asst. Cashier in place of J. S. M. Phillips.—German National Bank; W. W. Ramsey, Pres., in place of E. H. Myers; C. A. Fagan and A. A. Frauenheim, Vice-Pres's.; Robt. E. Reed, Asst. Cashier.—Metropolitan National Bank; W. J. Zahniser, Pres., in place of C. L. Flaccus. —Mt. Washington Savings and Trust Co.; title changed to Fort Pitt Trust Co.
Ridgway—Ridgway National Bank; no cashier in place of T. J. Maxwell.

SOUTH DAKOTA.

Hot Springs—People's National Bank; Henry Marty, Asst. Cashier.

TENNESSEE.

McMinnville—People's National Bank; J. C. Biles, Pres., in place of J. F. Morford; Frank Colville, Vice-Pres., in place of J. C. Biles; G. M. Smith, Cashier, in place of Frank Colville; no Asst. Cashier in place of G. M. Smith.

TEXAS.

Alvarado—First National Bank; B. M. Sansom, Pres., in place of L. B. Trulove; John Duke, Vice-Pres., in place of B. M. Sansom.
Atlanta—Atlanta National Bank; Pat. C. Willis, Cashier, in place of R. C. Witt.
Beaumont—Park Bank and Trust Co.; T. W. Garrett, Active Vice-Pres.; F. M. Law, Cashier.
Center—First National Bank; A. R. Fox, Pres., in place of R. L. Parker; John S. Kennedy, Cashier, in place of T. T. Sanders; T. T. Smith, Asst. Cashier.
El Paso—First National Bank; M. W. Flournoy, Vice-Pres., in place of U. S. Stewart; J. M. Reynolds, Cashier, in place of J. F. Williams.—State National Bank; Geo. D. Flory, Cashier, in place of J. C. Lackland, deceased; no Asst. Cashier in place of Geo. D. Flory.
Falls City—Falls City National Bank; no Cashier in place of C. M. Dever.
Houston—Merchants' National Bank; C. G. Pillot, Pres., in place of I. H. Kempner; J. T. McCarthy, Cashier, in place of W. H. Hurley.
Hubbard—Farmers' National Bank; C. R. Mayfield, Cashier, in place of B. C. Roberts.
Marlin—Marlin National Bank; Z. I. Harland, Vice-Pres., in place of H. T. Rogers; F. M. Purkhead, Asst. Cashier.
North Fort Worth—J. L. Price, Pres., in place of Geo. W. Armstrong; no Asst. Cashier in place of A. W. Pierce.
Snyder—Snyder National Bank; O. P. Thrane, Cashier, in place of F. J. Grayum; M. A. Fuller and Geo. Ralston, Asst. Cashiers, in place of O. P. Thrane.

VERMONT.

Bristol—First National Bank; E. B. Patterson, Pres., in place of Chase P. Bush.

VIRGINIA.

Farmville—First National Bank; V. Vaiden, Cashier, in place of J. W. Long; J. A. Booker, Asst. Cashier, in place of J. L.

WISCONSIN.

Sheboygan—Citizens' State Bank; Chas. G. Freyberg, Pres., deceased.

WYOMING.

Shoshoni—First National Bank, and Wind River National Bank consolidated under former title; A. J. Cunningham, Pres., in place of C. H. King; J. De F. Richards, Vice-Pres., in place of Wm. Madden; H. J. Shaad, Cashier, in place of Theo. Becker; no Asst. Cashier in place of Zelmer Moses.
Wheatland—First National Bank; Frank N. Shiek, Pres., in place of Wm. P. Everingins; M. R. Johnston, Vice-Pres., in place of W. L. Ayers; D. W. Brice, Cashier in place of J. T. Ayers; J. G. Doherty, Asst. Cashier, in place of Reed Elwood.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

IOWA.

Cedar Rapids—Citizens' National Bank; in voluntary liquidation, June 20.

MAINE.

Portland—National Traders' Bank; reported closed, Aug. 7.

MICHIGAN.

Detroit—Cameron, Currie & Co.; in charge of Fred G. Austin, Receiver, July 18.

MINNESOTA.

Belle Plaine—First National Bank; in charge of Receiver, August 6.
Minneapolis—National Bank of Commerce; in voluntary liquidation, July 15.

NEW MEXICO.

Cutter—First National Bank; in voluntary liquidation, July 22.

OHIO.

Salinsville—People's Banking Co.; reported closed, August 14.

OKLAHOMA.

Cement—First National Bank; in voluntary liquidation, August 1.
Thomas—Thomas National Bank; in voluntary liquidation, July 7.

TEXAS.

Groesbeck—First State Bank; in voluntary liquidation, August 12.

WASHINGTON.

Bremerton—Bank of Bremerton; in charge of Receiver.
Everett—First Scandia Bank; reported closed.

WEST VIRGINIA.

Friendly—First National Bank; in charge of Receiver, July 25.

WYOMING.

Wheatland—First National Bank; in voluntary liquidation, August 1.

JOSÉ YVES LIMANTOUR

Mexico's Able Finance Minister

Mexico's Able Minister of Finance.

THE
BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | OCTOBER, 1908 | VOLUME LXXVII, NO. 4

BANKING IN MEXICO.

IN this issue of the MAGAZINE will be found some description of the banking institutions of the City of Mexico, and these articles will be followed by others relating to the banks of the several states.

Mexico's banking system differs in many important respects from our own, yet there are several points of resemblance between the banks of the two countries.

While Mexico has the branch banking system, this has not resulted in anything like a monopoly, and whoever complies with the laws may establish a bank anywhere in the Republic. Several banks in the City of Mexico are conducted with few branches or none at all, while some of the state banks throughout the country operate branches and others do not. Banks organized for particular purposes are granted special concessions, but otherwise the general laws apply.

An interesting and important work in promoting agriculture is being done by the mortgage banks. They lend money for long periods, at good rates, the loans being secured by mortgages on real estate.

Some of the banks issue what are called "cash bonds", usually bearing five per cent. interest. These are, substantially, time certificates of deposit, bearing interest.

A large part of the capital for the Mexican banks has been supplied by France, and indeed the demand of the French capitalists for banking investments in Mexico would appear to be insatiable. But these investments are made, as a rule, in the shares of large institutions, and dividends are paid regularly, usually at the rate of five per cent.

One admirable characteristic of the Mexican banks is that they seem to co-operate in times of stress to prevent the weakening of any particular institution, and the result has been that bank failures occur very seldom. Recently the country has experienced much the same depression that has prevailed in the United States; but while we had a number of bank failures, Mexico had none. Local conditions did, indeed, embarrass one branch in Yucatan, but arrangements were made for adjusting the affairs of the bank in question without causing a disturbance of confidence.

In Mexico City several of the larger banks are owned by practically the same interests. These banks therefore work together, not only in times of crisis, but at all times, thus greatly enhancing the stability of the respective institutions and of the banking system as a whole.

In the Federal District, comprising the City of Mexico and the adjacent suburbs, there are but two banks of issue—the National Bank of Mexico and the Bank of London and Mexico. Notes are also issued by the state banks. The basis of note issues is

coin and the general credit of the issuing banks. A pledge of Government or other securities is not required.

The Banco Central Mexicano performs an important function in clearing the notes of the State banks, and it is also a part owner of their capital stock, thus giving to the system of State banks a degree of unity that greatly contributes to their strength.

Trust companies, as conducted in the United States, do not exist in Mexico, although the Compania de Obras y Bienes Raices transacts a business somewhat analogous to that of our trust companies.

At present the laws are not adapted to the formation of trust companies, but undoubtedly before long such modifications of the laws as may be necessary to provide for their organization will be made.

Mexico has but recently given up the silver standard, and while there is some diversity of opinion as to the timeliness of the change, the sentiment is unanimous that in the end it will be for the best.

In one respect the banking and financial system of Mexico enjoys an immense advantage over our own. It has at its service a trained expert in the person of Mr. Limantour, the Finance Minister, who has been long in office and who has brought to the discharge of his duties a degree of ability and skill hardly surpassed by any finance minister of modern times.

The preservation of Mexico's credit and the solid advancement and prosperity of the country have been due very largely to the wisdom and expert knowledge of Mr. Limantour, and President Diaz is to be congratulated on having such an able coadjutor.

The banks of Mexico generally are institutions having large capital, and the men in active control must of necessity be capable of dealing with problems greater than those which confront the average American banker. That the bankers of Mexico have the ability to conduct their institutions safely through periods of credit expansion is shown by the fact that while in the last few years the total balances of the banks have grown by hundreds of millions, the transition from this period of expansion to one of moderate depression has been effected without shock to the banking and business community.

No mention of the banks of Mexico would be complete that did not take note of their personnel. No more courteous bank officers are to be found anywhere.

The Mexican banking system is worthy of the careful study of American bankers. We hope in subsequent numbers of the Magazine to make a more detailed presentation of the characteristics of that system than is now possible.

Despite the vigorous protestations of certain financial writers, that the New York Stock Exchange represents in its business methods the very acme of virtue, we have recently had an exhibition of manipulation by members of that institution savoring strongly of sharp practice and deceit if not of downright swindling. Nor have occurrences of a similar character been rare. The late events, however, were so barefaced and "transactions" reached such gigantic figures that unusual attention was attracted.

Doubtless, if the Exchange wishes, it can put in force measures that will stop these discreditable practices. If the managers choose to defy public opinion, they will surely invite legislation more drastic than necessary to correct existing evils.

While the Stock Exchange plays an

important part in providing a ready market for securities, the extent to which manipulation now rules in the rise and fall of prices tends to obscure the legitimate functions of the Exchange. Certain interests controlling numerous banks, and having enormous supplies of public money at their disposal, can move prices up or down, for considerable periods, as their will may incline. This manipulation is becoming so notorious that legitimate speculators, who have heretofore been guided in their operations by factors having a determinable effect on prices, will keep out of the market. Even the reckless gamblers will hesitate to enter a game where everything is conducted in the dark.

But reforms in the Stock Exchange should not stop with the weeding out of swindling devices like "wash sales" and "matched orders". The securities dealt in should be subjected to the strictest inspection, and those which are based upon worthless properties refused admission to the list.

The New York Stock Exchange constitutes too important a part of our financial machinery to permit of its being discredited by the devious methods of a few bold and unscrupulous manipulators.

ALTHOUGH there has been an almost endless discussion of the imperfections of the corporation laws of the various States and of the abuses which have developed under them, no practical steps have yet been taken to remedy these defects. If a Federal incorporation law is deemed objectionable, it might be feasible to secure the adoption of a law, substantially uniform, by the State legislatures, as was done in the case of the Uniform Negotiable Instruments Act.

A corporation code that would permit all necessary latitude in handling enterprises and which would at the same time give the investor protection, would tend greatly to enhance confidence in American securities at home and abroad. A uniform law would make it possible, at least, for investors to know readily in every case just what are the rules governing the issue of securities, thus removing that uncertainty which is one of the greatest obstacles to the investment of capital.

The Commissioners on Uniform Laws would render a great service to the public by giving serious consideration to this subject.

HAS anything developed during the political campaign to indicate that one party more than the other has any particular claim on the voter's ballot? We hardly think so. On the Republican side the canvass has been apathetic. Wall Street, indeed, at one period had such a fright at the possibility of Republican defeat that stocks went down to a low level. This may have been a ruse of the magnates and their political allies, invented for the purpose of stimulating campaign contributions. But it shows that Wall Street does not want Mr. BRYAN to win.

Judge TAFT, while possessing eminent executive ability, does not seem to have made a strong impression by his somewhat verbose speeches. He lacks the ability, which McKINLEY so well possessed, of making telling appeals to the voters. Furthermore, Judge TAFT'S views are regarded as being Rooseveltism in a diluted form, and since the followers of the President are not weaklings, they may prefer to vote for BRYAN, in the hope of seeing the strenuous policies carried forward more vigorously than ever.

Both parties are making unsound and dangerous concessions in order to win votes. Neither of them has the courage to take a bold and decided stand in favor of wise legislation and the strict enforcement of the laws, against all offenders.

The Republican party, judging by many of its recent performances, has fallen under the dominion of a coterie of unscrupulous leaders who are using the party machinery to further their private ends—in other words, to fill their own pockets and those of their followers. While Judge TAFT's personal uprightness can not be questioned, he seems to lack the force and the courage essential to the dislodging of this corrupt element from power.

It would seem that an overwhelming defeat would be the best thing that could happen for the Republican party; nor can it be reformed, at least not for a long time, in any other way.

But so far as the immediate result is concerned, it is by no means certain that Republican defeat would have the effect of installing in power at Washington an Administration of white-robed saints. Mr. BRYAN has evidently gone into this fight to win, and to do so he has found it necessary to shut his eyes and stop his nostrils. He has made an alliance with that element which GEORGE WILLIAM CURTIS once declared to be very hungry and very thirsty, and has also united with other elements which are worse, if possible. Furthermore, could Mr. BRYAN, if elected, conduct his Administration without making at least some sort of working arrangement with "the interests"? Will the Treasury, for example, and the tariff ever be allowed to slip from their control?

It is extremely doubtful if anything short of an outburst of public wrath, completely upsetting present party alignments, will result in the overthrow of this desperate and unscrupulous element. Certainly no drastic and permanent reform will be accomplished by the weak and vacillating policy which Mr. TAFT seems to be outlining to shape his course should he reach the White House, nor can anything better be hoped for from Mr. BRYAN, who has allied himself with forces that are animated by a desire for private gain.

There are problems now arising in our legislative, judicial and executive departments which will have to be settled by the aroused conscience and the enlightened intellect of the people, working it may be through new forms of party organization, but animated purely by a purpose to vindicate our faith in American institutions.

IN Mexico a way has been found to prevent directors from borrowing too much of the banks with which they are connected. A director who wishes a loan must give double security therefor, and the security must be in the form of stocks or bonds which for a specified time have paid a dividend of not less than five per cent. No employee of the bank is allowed to borrow at all.

As a result of these regulations, what is declared to be one of the most potent causes of bank failures in the United States — improperly secured loans to directors and officers—is completely removed.

WHILE searching for enlightenment, the Aldrich Monetary Commission might get a great deal of profitable instruction by studying the bank-note system of Mexico. Mr. LIMANTOUR, the able Finance Minister, long ago recognized the correct principle of a bank-note currency, and he

has based the issues of the Mexican banks upon credit and a coin reserve. In practice it has been found necessary to keep a large reserve, for Mexico is so situated that it cannot command an increased metallic supply so readily as other nations can.

Mr. LIMANTOUR has kept the bank-note issues entirely separated from the public debt, and by pursuing this enlightened policy, the bank notes have been efficient instruments in effecting the exchange of commodities. The safety of the notes is absolute, and redundancy does not occur, because the bank circulation rests upon an adequate reserve of coin, and the notes are cleared in the City of Mexico.

SOILED PAPER MONEY HARMLESS.

WARREN W. HILDITCH of the Sheffield laboratory of bacteriology and hygiene at Yale University, has published in a recent issue of the Popular Science Monthly the results of a bacteriological study of soiled paper money.

His conclusions are extremely reassuring to those who have been led to believe that dirty paper money was a dangerous source of infection. He does not say that it can not convey disease, but he asserts unreservedly that there is not a case on record in which the transmission has been proved.

His experiments were made with twenty-four of the dirtiest bills he could find. In view of the prevalence of diphtheria and tuberculosis he made special efforts to discover the germs of those diseases. The results were entirely negative. The guinea pigs which had been inoculated showed no indication of even temporary illness, while the smeared serum plates revealed no trace of the bacillus diphtheriae.

All the bacteria discovered were non-virulent. Of that variety there were enough. The number present on the bills ranged from 14,000 to 586,000, with an average for the twenty-four bills of 142,000. Strangely enough, there seemed to be no connection between the amount of dirt and the number of bacteria present. The cleanest looking bill used had next to the highest number, while the dirtiest one was comparatively free from them.

An examination of the literature on the subject, which is confessedly scanty, and the results of the bacteriological experiments of others served to confirm his laboratory conclusion as to the generally harmless character of the average dirty bill. Turning from the bacteriological to the human side of the question, he found the testimony equally strong.

If dirty paper and rags transmit disease frequently, then certainly rag pickers in so dirty a country as Egypt should show some evidence of the dangerous nature of their profession. But they do not. A personal investigation of the rag depots of Alexandria, Egypt, by a competent student of the subject failed to disclose any evidence that the rag pickers were more subject to infectious diseases than those not connected with the work.

The testimony of the United States Treasurer also sustained his view. That official had given the subject careful consideration and was emphatic in the statement that the employees in his department did not contract infectious diseases more frequently than those in other lines of work. The testimony of bank tellers, who come in contact with much dirty money every day, agreed with that of the Treasurer.

In view of all this, the reader will incline to agree with the writer's conclusion that "money constitutes an unimportant factor in the transmission of disease." For esthetic and other reasons it is well to have as clean a currency as possible. But the exaggerated fear of the soiled bill is still waiting for a formal and practical justification.—*Chicago Inter Ocean.*

BRITISH SAVINGS CLUBS.

A NOVEL system of saving money for pleasure and holiday excursions is reported by Consul Church Howe to be in vogue in all the British manufacturing towns in the Manchester district, which he thus explains:

Immense sums are collected each year and distributed at the "Wakes" holiday. This annual holiday extends from three to seven days, and each particular town has its own fixed date. As an illustration, at all the large works and factories, clubs are formed immediately after each Wakes week each year, and a secretary and treasurer are selected. The former generally holds a responsible position, and often the cashier is asked to take charge of the money.

A weekly subscription is made, and the collections are handed over weekly from the secretary to the treasurer and receipts given. The amounts so saved and distributed this year in ten mill towns totalled $1,162,957.

BANKING UNITY.

By Charles W. Stevenson.

THE bank exists to aid commerce. That is its largest, its most important, aspect. It is the servant of the public, the friend of the individual. It safeguards money; it issues money, and it loans money. Yet as far as cash and credit are concerned, its real money is of the latter kind. It handles a little coin and currency, but only three or four per cent. of the volume of its daily transactions are thus represented. And in all that it does it aids commerce, by furnishing power, the power that inures through its credit, manufacture and use.

Commerce, on the other hand, is that interchange of labor and the products of labor that results from giving the surplus of one for the surplus of another. It is exchange; and money, be it credit-money or currency-money, is used to facilitate this exchange. But commerce is bounded only by the lines of production, not by the imaginary lines of governments. Commerce is directed by the wants and needs of mankind, and controlled by the genius of man and the conditions of the earth's surface. Continents, their watersheds, the valleys of the earth, the direction of the rivers, the nature of the soils—these are the prime, natural factors in production. The other great element is composed of race and epoch. Governmental lines, first established by military power in almost all instances, and maintained by force, have nothing to do with production in its primal possibilities. Because of these facts trade makes its own laws. And whether it be commerce, or the bank which is for the purpose of aiding commerce, the first thing for the government to do is to ascertain these natural governing laws and conform thereto. Thus in the matter of a money standard, commerce first makes it by the worldwise need and usage, governments merely follow.

This is the first great consideration of the lawmaker. It is to acknowledge the fact that man-made law is for the purpose of aid and control. Neither can obtain unless these great underlying laws prevail. They are written in the constitution of things, and governments to be effective must conform thereto. There is no political issue involved in this great truth. It is an axiomatic one. The genius of mankind and the capabilities of the earth, these, direct and maintain commerce, which, in turn, brings strength, happiness, and peace, to the individual, that he, in turn, may respect his government as his own, and revere the laws he makes because they protect the liberty of his neighbor as his own.

This attitude applied to commence and all its aids is the one which, willy nilly, we must all at some time attain. The governmental aid in itself becomes effectual because, and only because, it follows these underlying natural laws.

It is not party, it is not section, it is not even country, and it surely is not class, that should be the thought of the lawmaker. It is the good of trade, if trade be the object of legislation; it is the liberty of the individual, if the individual be the object of the statute making.

Banks, then, we say, aid commerce through credit. How do they do it?

It is necessary to look at the working of the bank to define this institution.

It issues credit, its own credit, by means of its own notes.

It assembles the credit of the individuals of a given community by aiding them in depositing checks and drafts which are themselves the instruments of credit and for which there is never any money placed in the bank.

It provides for the interchange of credit by giving the individuals the right to check on these accounts thus

assembled, and by sending its own checks on its own credit-made-balances throughout the world, in the payment of purchase and in the settlement of debt.

It is a medium for the cancellation of credits and indebtedness by means of being a local clearing house for the checks which are drawn on the various credit-made accounts at the various banks of the community or city. This is the proper functioning of the bank. And every piece of credit-paper thus issued is put out in furtherance of some trade transaction. Therefore it is with this credit-currency, for this is what it in reality is, that the bank aids and fosters, permits or provides for, the trade of the country.

It is not alone that a man may go to the bank and out of the pool of deposits therein contained borrow money with which to carry on his business. It is first and foremost that the bank is a depot of credit made by the exercise of the credit-making power of the people, of the individual, the firm, and corporation; and gaining its life out of this form of primary credit is enabled to issue its own credit, and thus by each means aid in the transaction of business.

It follows that the bank, in thus aiding the operation of industry and the exchange of products, knows no State, national or governmental lines of any kind. It is brought into being to aid a commerce that even in its smaller form is allied to the antipodes; and therefore being an aid to international trade is of itself, in some part, international in character.

If trade shapes and forms the bank, then to aid trade the better to perform its function, the bank must acknowledge trade alone as its master. And in proportion as the bank is a free agent it vitalizes itself and energizes commerce. And whatever law there is, from whatever source, should simply strive to aid in making it efficient along the line of its greatest power and its most important function. Its credit-making power should be free!

Law should have but the one purpose; the lawmaker but the one guide, for to aid the bank in its proper functioning is to aid the people. There is no other truth in this behalf.

The bank, although it receives a charter from the State or nation, is organized, maintained, and supported by trade. True, it is a helper to the individual; but it is also a helper even to the laboring man who never crosses its doors, because it renders the volume of trade larger by the strength of its credit-power, and because it makes possible the multitudinous transactions of exchange which could not go on under a system of barter and could not be if cash payments were demanded.

So intimately are the banking customs of the country interwoven with trade that it is impossible to conceive of a commerce without the aid of the bank. It matters not whether it be one of the large banks in a central reserve city or a small country bank on the outpost of civilization, each is an integral part of trade, and each is a part of a system of banking which helps the whole of trade, at the same time serving directly the wants of individual and community where located. In its operation the bank, large or small, knows no government lines. And he who makes laws for it in the true interest of the people will acknowledge this fact and govern himself accordingly. It is this broad view of a necessary and beneficent institution that will aid in solving the problem of banking. Let the legislator eschew every other attitude.

If the issuing, assembling, interchange, and cancellation of credit is the chief function of the bank, then government aid must follow this law of the bank's being and give it the proper freedom and strength. There is no other solution to the problem. There can be no other. The bank is distinctly the servant of the whole people. It is a private corporation, true enough. It loans money for a profit, its depositors money, currency and credit-

money alike, for a profit. It is open every day in the year and never refuses to do all it can to meet the demands of individuals when they are proper. But it holds the gauge to correct and honorable dealing, and in times to come, in view of the marginal speculation in stocks, is to become still more the gauge of the legitimate in trade and investment.

It gives for the use of the depositers' money its safeguard over it against the thief, fire and the mob. In all that it does it is open and above board. It cannot hide its light under a bushel, and pays in full its share for the maintenance of the government by tax.

But in doing all these things it does not separate itself from the endless chain of banks, and from the needs of all trade, and from the helpful power of aid to all commerce without division and without pay. For be it remembered that although the bank credit-money travels the wide earth in the aid of commerce, it is in fact a gratuity on the part of these institutions. There may be a modicum of exchange charges, but they are growing less all the time. This will be attested everywhere.

The bank does more for the public for nothing than any other institution corporate known to the law save, perhaps, the Trust Company, with its somewhat larger scope, but with a less general use.

And so it is important that the bank be recognized for what it is and what it does when there is any attempt at legislation. All its powers and duties grow out of this popular service, and since so many of them are exercised without pay the legislator and the State should be alike zealous to make the system of banking more perfect and the individual bank more effective. This it is certain cannot be done by arbitrary and unscientific banking laws.

In making up the parts of a great system it must be remembered that each bank, integer and independent though it be, is to be recognized, not because it is a national or state bank, but because it is indissolubly associated with every other bank and furnishes a part of the power of the whole.

Since this banking-power is credit-power, then each bank ought to have the right to make its credit-power as effectual as the needs of business may demand without reference to whether it is under state or national control.

If this be true then legislation that is to render the bank effective ought to recognize this truth. The same credit-currency power should belong to each when we are considering the power of the bank to issue its own credit; and this ought to be based not on some outside factor like the government and its needs and debts, but on the internal and natural power of the banking institution, free from undue domination by any outside power and guarded and controlled alone by its own safety and the needs of commerce.

Thus it follows that supervision, which is the only true function of governments, ought not to interfere with this inherent life and being of the institution. It ought not to say that this power shall exist or that it shall not exist, but only in a friendly and desirable sense that it shall exist in a certain way, that way dedicated alone by the desire of the bank and the demand of commerce.

So vital has the bank become to trade, in crucial times, that it may aid, if it be free to exercise its full function, the business of the country to a great extent. Therefore this has been the object of legislation and governmental solicitude. We shall not speak of the law lately passed. It must make good.

But no greater tribute could be paid to the worth of the bank than this fact that the national legislature is engaged in making it possible for it to exercise its highest prerogative. And yet just here, because of our dual system of government there may be a conflict of authority and a division of power.

From what we have just adduced it will be seen, almost without mention, that it is the functioning of the bank

in the great system of banks that is our chief concern. The people use the banks as much in one section as they do in another. The bank serves alike in the center of the country as at the circumference. But not one of them can stand alone. All are related, interwoven, interdependent. Therefore, in providing for the efficiency of one, all must be thought of, and the system, which is operated jointly by all, must be preserved.

It is here that the exigency of the time has thrown us into a slight degree of confusion. This credit-making power of the national bank, if it shall now be made perfect under the late law, will give them an efficiency that is not given to the other or State institutions.

True, an emergency currency that may spring from the associated banks of the populous centers may aid in a degree the isolated State bank customer, but it will not aid, perhaps, in a dire emergency, the State bank that is not a customer.

Here there is a division of the unity which is the end and object of every consideration which can be given to the banking function. It is a matter of great importance that each bank according to its inherent power, and according to the local demands of business, should be able to exercise in full its credit-making energy in order that at no time and in no locality shall there be that clog on the wheels of trade that produces a congestion or a weakness elsewhere from which panic ensues.

If we look for a moment at the political influences on government legislation we will find that, utterly foreign to wants and needs of the people and the demands of commerce, there may be a State and the nation working in opposite lines. Politics should have nothing whatever to do with these questions. The banks serve all the people, without regard to State or national lines, and without regard to State or national needs or wants as applied to government. The divorce of the bank and the government is the highest desideratum of all thought and planning in this connection. To say that the nation has anything to do with banking other than in a supervisory and ministerial character is to deny the being of the bank and its inherent and automatic power to meet the demands of trade.

Yet if one political party be in the ascendency in the State and another in the nation, and the old ideas of money prevail with reference to the bank, then there must be conflicting legislation to the destruction of that unity which is first and last to be thought of in all that is done.

By the preservation of this natural unity the greatest power of the individual bank will be preserved, and by this means the greatest good to all the people brought about. And it is ever to be commiserated that we cannot have a purely non-partisan consideration at all times in all legislation both as to the nature of the remedy and the needs of the people as regards the use of money and credit.

A recognition, however, of the credit-currency power of the bank is a tribute to the correct method, which is the most auspicious sign of the present trend of legislation. Every man is coming to know that the bank draft, which is the real currency of the country, issues in any denomination, to serve any person, and for any need, individual or corporate, and is current the world around.

Another sign of disorder appears in the matter of Guaranty deposit laws. But one State, so far, has enacted such a law. An adjoining State refused, although called into special session, to follow with a similar enactment. Whatever is done here must involve to some extent the government. It is a surrender of the bank's integrity to say the least of it. Supervision and inspection are a far different matter to that of the State standing good for the deposits of all banks by making them pay into the hand of the State a redemption fund.

But we shall not discuss this here. We allude to the guaranty matter mere-

ly to show again the danger of legislation that will destroy the unity of the banking system. As far as a nation can, it ought to defend the integrity and the highest usefulness of the whole system, which taken in its entirety, looking at the achievements of commerce, is one of the triumphs of the human mind and a tribute to the honesty of mankind.

But if States, without notice to each other, are to pass these guaranty laws, there will in all probability be as many laws as there are States.

The nation will not be allowed to copy any of the laws of the States, for there is a universality about the law of the land which does not permit the adoption of a State statute. In time, confusion must grow. This is against the best operation of the individual bank.

That bank is the most efficient which serves its community well, and in doing so contributes to the general service of mankind, which inures out of the credit-functioning of all the banks. It will be well if we can get this idea of the desirability of unity fixed in the mind of the people.

If an individual will stop for a moment and think of the indifference with which he regards the State or national character of the bank's charter, he will at once see the need of legislation in observance of unity.

These two objects of tentative legislation strike at the two most important factors of banking, credit-power and governmental supervision. It is important then that the watchword of all consideration be UNITY. And this is so because the even running of the banks means the stability of business.

Out of panic has grown the first real emergency currency law the people have had given to them. Panic has shown to all minds that the bank and business are interdependent. What the law will be able to accomplish, it is too early to say. One thing is certain. Credit-power is acknowledged as the need of business. And with this acknowledgment comes another, and that is that the even running of the banks under a system that is unified and efficient means the even running of trade, and this makes certain that equality which is one of the chief considerations of all political economists at the present time. And in this contemplation we observe that it is not in the power of the government to bring about this equality by its artificial and man-made laws. If the bank grows out of the very helpfulness which it is to the business world, so the commerce of the country will tend to a safer and surer level when it is guided and controlled by the great underlying natural laws we have mentioned. The first of these is, of course, that which grows out of the genius of mankind, coupled to the necessity for the law of labor; that the tendency and effort of all men is directed to the maximum production at the minimum cost in labor, and that this is brought about by giving the most to the greatest number, out of the union of capital, labor stored up, and the labor which goes on from day to day. In the years past we heard much of the value of money to the people. Now we know that it is not so much the coin and currency as it is the credit-money of the bank. To perfect this is to aid the struggling toiler everywhere, for it will make that trade which civilizes and helps us all, irrespective of our own part in it, more and more equitable.

NEW COINS UNSATISFACTORY.

AFTER coining $43,000 in $20 gold pieces of the latest design, the San Francisco mint, acting under orders of the Treasury Department, has stopped work on the coins and is awaiting the arrival of new dies, which are expected to correct a fault discovered by bankers.

With one ground of complaint eliminated by the restoration of the "In God We Trust" motto, the public has manifested no hesitation in accepting the new double eagles, but the bank tellers complain that the coins will not stack so as to be accurately counted. After several bank balances had been reported seriously incorrect, the order to stop coining was issued from Washington.

AN EQUITABLE BASIS FOR CREDIT CURRENCY.

By G. L. Tickner.

The banking situation in the United States seems to have changed, and changed for the worse, in the last ten or twenty years. The old ideal of a strictly commercial bank having its semi-judicial policy and consequent prestige seems to be passing away. The tendency is for a combination . . . to promote and finance great ventures. There is a chance of making more money, but there is also a certainty of a greater locking up of capital. . . . The process tends to mean less cash on hand, less reserve, less ability to meet sudden demands. . . . The measures for reform are prudent management and free resources. —Prof. F. W. Taussig of Harvard University, in address to New York State Saving Banks Association, May 8, 1906.

A CONGRESSIONAL monetary commission is now in session endeavoring to find that great need in our banking reform—"a scientific currency."

The currency plans of Representative Fowler and the American Bankers' Association are so generally thought to be scientific that they doubtless will receive considerable attention from the commission.

It seems odd that the bankers formulating the American Bankers' Association plan should have contemplated, in their scheme of distributing credit currency, a method by which the Government should make unsecured currency loans to banks, based solely upon the bank's capital irrespective of what other engagements that same capital had already undertaken to guarantee and fulfill.

When banks extend unsecured (commercial) loans, do they grant all concerns of like capital the same percentage of loans, or does not the position (nature) of the concern's assets and the amount of debts already incurred enter into the equation? Why should the Government do otherwise with unsecured credit (credit currency) extended to banks?

If concerns obtaining bank loans must needs be in a liquid and perceptibly solvent (going) condition, why should not issuing commercial banks with all their obligations practically payable on demand, be required to be in a somewhat similar (quickly liquidable) position, if their general assets are to furnish the basis for our money?

A business house is expected to own all fixed equipment and have quick assets exceeding at least by fifty per cent. its current debts to be considered a desirable banking risk.

Commercial banks are intended to be desirable credit risks for the public. The law, however, does not contemplate that as a bank's liabilities increase that the working capital (the owners' guarantee to depositors against loss) ought to increase. Nor does the law undertake to ensure a capital in equitable relation to the debts.

Banks Must Pay Up or Quit.

A bank's real and essential equipment is its reserve, yet the law does not oblige a bank to have capital enough to own this necessity. Apparently numberless banks must find this helpful. Hence I object a good bit, although a believer in credit currency, to the Fowler or American Bankers' Association brand of reform, since either in permitting *every* national bank to be a bank of issue, would in no manner force or persuade issuers to become any stronger than they are at present. Panics always betray loose methods and acceptance of the legal permission to over-trade.[1] True reform must furnish more strength to our banks, not permission, when they are unable to pay deposits, to exchange a deposit liability for something else — a bank's business is to pay up or quit. I am not unmindful that a prior lien on assets and a

pro-rated tax on all banks, the strong and weak, will keep any currency at par, nor am I aware of just why the assets of the strong should be taxed to make up for the delinquencies of, or furnish stimulants to the weak. I believe only strong national banks should be banks of issue. They should be obliged to capitalize (actually own) their legal money reserves, which should be at least twenty-five per cent. of all liabilities other than working capital, and issue so long as they kept the reserve. As they exceeded twenty-five per cent. they should keep 100 per cent. on the excess. Issues to be untaxed other than for printing, shipping and redemption expenses. Losses to be pro-rated among issuers.

For examples of the unfairness and elementary weakness of basing credit currency on capital alone per Fowler and American Bankers' Association plans, let us study the accompanying actual statements cut from the Comptroller's Report:

BANK I.

Loans and discounts	$1,987,551.37
Overdrafts	16,816.27
U. S. bonds to secure circulation	155,000.00
U. S. bonds to secure deposits	50,000.00
Other bonds to secure deposits	....
U. S. bonds on hand	1,000.00
Premiums on U. S. bonds	11,327.50
Stocks, securities, etc.	88,553.85
Banking house, furniture, and fixtures	14,000.00
Other real estate and mortgages owned	....
Due from other national banks	449,932.47
Due from State banks and bankers	363,830.81
Due from approved reserve agents	887,442.22
Internal revenue stamps	....
Checks and other cash items	50,737.07
Exchanges for clearing-house	141,232.00
Bills of other national banks	12,690.00
Fractional currency, nickels, cents	1,666.86
Specie	256,228.30
Legal-tender notes	69,655.00
Redemption fund with Treas. U. S.	7,750.00
Due from Treasurer U. S.	....
Total	$4,565,413.72

Capital stock paid in	$200,000.00
Surplus fund	25,000.00
Undivided profits, less current expenses and taxes paid	10,329.73
National bank notes outstanding	155,000.00
State bank notes outstanding	....
Due to other national banks	531,979.29
Due to state banks and bankers	1,302,384.48
Due to trust companies and savings banks	149,178.97
Due to approved reserve agents	....
Dividends unpaid	....
Individual deposits	2,114,391.25
Certified checks	2,150.00
United States deposits	50,000.00
Deposits of U. S. disbursing officers	....
U. S. bond account	25,000.00
Notes and bills rediscounted	....
Bills payable	....
Liabilities other than those above stated	....
Total	$4,565,413.72

BANK II.

Loans and discounts	$767,504.36
Overdrafts	6,023.10
U. S. bonds to secure circulation	32,000.00
U. S. bonds to secure deposits	118,000.00
Other bonds to secure deposits	....
U. S. bonds on hand	....
Premiums on U. S. bonds	....
Stocks, securities, etc.	159,401.36
Banking house, furniture and fixtures	95,948.72
Other real estate and mortgages owned	23,593.28
Due from other national banks	46,982.97
Due from state banks and bankers	18,092.79
Due from approved reserve agents	371,322.11
Internal revenue stamps	....
Checks and other cash items	2,470.14
Exchanges for clearing-house	....
Bills of other national banks	5,000.00
Fractional currency, nickels, cents	37.73
Specie	143,305.00
Legal-tender notes	27,250.00
Redemption fund with Treasurer U. S.	1,600.00
Due from Treasurer U. S.	....
Total	$1,818,531.56

Capital stock paid in	$125,000.00
Surplus fund	125,000.00
Undivided profits, less current expenses and taxes paid	67,358.93
National bank notes outstanding	31,000.00
State bank notes outstanding	....
Due to other national banks	58,976.77
Due to state banks and bankers	21,668.69
Due to trust companies and savings banks	24,060.95
Due to approved reserve agents	....
Dividends unpaid	....
Individual deposits	1,252,346.78
United States deposits	50,508.03
Deposits of U. S. disbursing officers	62,611.41
U. S. bond account	....
Notes and bills rediscounted	....
Bills payable	....
Liabilities other than those above stated	....
Total	$1,818,531.56

The bankers' plan of credit currency would permit either bank to take out twenty-five per cent. of capital in credit currency at a tax of two and one-half per cent., and twelve per cent. of capital additional at a tax of five per cent. on the additional amount.

Mr. Fowler's plan for credit currency would permit each to take out an amount of credit currency equal to 100 per cent. of capital and an additional 100 per cent. on approval of the district clearing-house — both lots subject to a small tax.

In other words: Bank one on Bank-

ers' plan could have all told about \$74,000; bank two on the same plan about \$46,250. Bank one on Mr. Fowler's plan could have all told about \$400,000, and bank two about \$250,000; or, say, roughly about one-third less currency for bank two under either plan.

Bank one is a Missourian, and the writer "would like to be shown" by the Bankers' commission-representative from that state the logic of giving one-third more currency to bank one, whose assets could shrink but five and one-sixth per cent., before insolvency, whose total liabilities are approximately twenty times its (interest in the business) working capital, which would, to pay with equal promptness the same percentage of its debts, need to liquidate about three times as rapidly as bank two.

While bank two, whose assets must shrink about seventeen and one-half per cent., before insolvency, whose total liabilities are approximately six times its working capital, is located in Texas, where they absolutely need the maximum of credit currency to move cotton, etc., and so far away from the central reserve cities that its cries for the return of its own money cannot be easily heard.

I am not overlooking the fact that the Texas bank might, by transferring its surplus and profits to capital account, obtain one-third more currency than the Missouri bank. But I am thinking it is entitled to three and one-third times as much.

It is apparently that many times as solvent—all things equal—and if all things are not equal, viz., one set of assets as against the other, might not upon liquidation offset dollar for dollar, nevertheless in sworn statements of condition, with periodical department examinations we must assume figures represent actual values. If they do not, then first reform examinations and the Comptroller's department.

In any event, the apparently stronger bank of this article could shrink over three times as much as the apparently weaker and still maintain an equal ability to adjust its debts.

And again I ask "to be shown" whence the idea that it should receive less credit currency.

Are Mr. Frame's claims true that credit currency as outlined by our banking friends is simply a cure for the hard-up disease and is to be doubled-dosed to overtrading bankers?

Since any legislation that can be enacted must be a makeshift and permit the bulk of the national banks to issue, my notion of distributing credit currency equitably (and equitably means much since the term embraces the rights of all—public, banks, and United States Government—who issue, use or contribute to the expense of maintaining its solidity and otherwise) is as follows:

Let us assume legislation authorizing banks to apply for credit currency, same to be based upon the proportion their working capital bears to their total debts, a statement of present condition and those on file previous to application plus discretion of Comptroller to govern.

Per table herewith — Comptroller's Report, Aug. 22, 1907.

Five per cent. of working capital would permit a possible issue of \$800,000,000.

I would restrict currency issues to

	Central Reserve Cities.	Other Reserve Cities.	Country Banks.
No. of banks	60	306	6,178
Working capital	\$343,040,770	\$405,793,045	\$882,475,250
Total liabilities	1,958,168,584	2,294,080,779	4,138,079,039

Totals.

No. of banks	6,544
Working capital	\$1,631,309,067
Total liabilities	8,390,328,402

those banks that are maneuvering assets not exceeding ten times their working capital, and would grade them, roughly speaking, as follows:

If working capital is 1-10	of total liabilities issue	5%	of working capital in circulation.
If working capital is 1-9	of total liabilities issue	3%	of working capital in circulation.
If working capital is 1-8	of total liabilities issue	4%	of working capital in circulation.
If working capital is 1-7	of total liabilities issue	5%	of working capital in circulation.
If working capital is 1-6	of total liabilities issue	6%	of working capital in circulation.
If working capital is 1-5	of total liabilities issue	7%	of working capital in circulation.
If working capital is 1-4	of total liabilities issue	8%	of working capital in circulation.
If working capital is 1-3 (or better)	of total liabilities issue	10%	of working capital in circulation.

(This table to be adjusted sufficiently to practically and equitably produce amount of issue desired, the idea being to base credits on stability)

When the non-issuers especially need currency is it not up to them to trade their assets for it as best they can? It certainly is not up to the national banking system, already honeycombed with ways for pyramiding credits, to open up by way of a loose credit currency law, new avenues for weak banks to delay pay days when called, nor frustrate the intentions of their creation as real money-furnishers nor to subtract anything from their reserves and liquidating strength.

Lest I be reminded that the Bank of France, generally considered the strongest institution in the world and which maintains the lowest and steadiest interest rate for any country in the world, is an institution of about fifty million dollars' working capital and a billion debts; or, in other words, is maneuvering assets of twenty times its capital, I will say that the nature of its assets, liabilities, reserve, management and charter plus surroundings and dealings with a settled country and a thrifty, saving people appear to permit with perfect safety all the benefits of a fine banking system to obtain, coupled with the greatest economy in the use of working capital. The undeveloped condition of this country, its needs, its opportunities, the venturesome disposition of our people, the make-up, and necessity of our independent banks, however, make a central monopolistic bank for the United States as impracticable as it is impossible.

When we take up the question of banking as carried on in the United States, "we are dealing with a condition, not a theory."

FINANCES OF JAPAN.

MARQUIS KATSURA, the new Premier and Minister of Finance, outlined a policy of rigid economy for Japan in an address delivered before the Bankers' Club of Tokio, Sept. 10. He declared that the patriotism of the people of Japan was as necessary now when economy was necessary to restore confidence and credit as during the Russian-Japanese war, when he was Foreign Minister.

Upon returning to office, the Marquis declared that he had found the economic and financial conditions of the Government as yet unrestored and it was therefore absolutely necessary that the Government and people unite in a common effort in the national interest. Dealing with subjects in the Department of Finance, the Premier continued: "Existing conditions show that the permanent revenues are less than the permanent expenditures and therefore national loans have been floated to meet the deficiencies, but the time has been reached when the Government finds difficulty in borrowing the sums necessary for this purpose. Consequently, it is time for the nation to call a halt in order to restore confidence. A complete balance between the national income and the national expenditures must be effected.

"Since receiving my appointment I have investigated the situation thoroughly and have determined, with the help of the entire country, to place its financial position on a sound basis by effecting a complete readjustment of expenditures. Despite what I have already said, the fact remains that the national finance is still comparatively firm and it has never been so weak and unreliable as has been represented in some quarters. The situation, if properly handled, presents no element of danger."

TRUST COMPANIES

Conducted by Clay Herrick.

THE COMPTROLLER'S REPORT.

A BULLETIN issued on September 21, 1908, by the Comptroller of the Currency, gives a summary of the reports received by him from trust companies, State banks, savings banks and private banks for June 30, 1908. Reports were obtained from 920 "loan and trust companies", with aggregate deposits of $2,157,478,378 and aggregate resources of $3,257,422,561. The report for 1907 contained reports from 794 "loan and trust companies", with aggregate deposits of $2,061,623,035, and aggregate resources of $3,071,419,360. As the Comptroller has no authority to compel the rendering of reports from State institutions, these statistics are far from complete, probably representing from one-half to two-thirds of the trust companies in the country.

Progress in Legislation.

One of the lessons clearly taught by the recent panic was that the interests of legitimate trust companies demand intelligently prepared State laws for the regulation of the business, backed by a banking department which will see that the laws are enforced. By no other means can poorly managed concerns organized for other purposes be kept from masquerading as trust companies and bringing criticism upon the institution.

It is gratifying to note that there has been, during the current year and the year preceding, a marked tendency towards better trust company legislation. During 1908, Ohio and Rhode Island have been added to the list of States which provide something like adequate State supervision and regulation of trust companies and other banking institutions, with special banking departments in charge. In Ohio the operation of the law is somewhat handicapped by the fact that the Legislature neglected to make an appropriation sufficient for carrying out the law and hiring the necessary examiners; but this will be remedied, and a good start has been made. A summary of the Ohio law was given in the June number of the Magazine. The Rhode Island statute, passed in May, establishes a Board that is charged with the duty of enforcing the provisions of the law, and to whom at least five reports each year must be rendered. Careful restrictions are placed upon loans and investments. The powers of trust companies are defined at some length. The reserve required is fifteen per cent. of aggregate deposits, of which two-fifths must be in cash and the remainder may be on deposit with duly authorized reserve agents.

The most important provisions of the new law in Massachusetts, which goes into effect January 1, 1909, relate to the maintenance of a savings department and to the reserve. The sections relating to the reserve are given in full below. Trust companies which receive savings deposits are required to maintain separate savings departments, whose loans and investments are to be made in accordance with the laws governing the investment of deposits in savings banks. Existing trust companies are given until November 1, 1913, for full compliance with these provisions regarding investments, a

specified portion of same being readjusted each year if necessary.

In Missouri the new laws passed last year regarding trust companies and other State banking institutions go into effect on January 15, 1909, a thoroughly equipped Banking Department to be in charge.

In New York several laws of importance were passed, mention of some of which has already been made in these columns. Regarding investments, it is provided that "Stocks or bonds constituting a part of the lawful investment of capital of any such corporation shall not be valued upon its books or entered in its reports to the Superintendent of Banks at a higher price or value than their investment value as determined by amortization, after providing in a manner approved by the Superintendent of Banks for the gradual extinction of premiums or discounts on all such securities so as to bring them to par at maturity," and "Nor shall any such corporation hold or own stock of another moneyed corporation the par value of which is in excess of ten per centum of the total amount of the stock of such other moneyed corporation issued and outstanding, provided, however, that this limitation shall not apply to the ownership of capital stock of a safe deposit company the vaults of which are connected with or adjacent to an office of any such trust company."

The powers of trust companies are re-stated with a few minor changes, and with the provision that a trust company may not open a branch office without first obtaining the written approval of the Superintendent of Banks, and "Unless the capital of such trust company actually paid in cash shall exceed the amount required by the law under which it was incorporated by the sum of one hundred thousand dollars for each branch office so opened or maintained."

To the provision regarding directors that "No person can be a director who is not the holder of at least ten shares of the capital stock of the corporation" is added the amendment "And every person elected to be a director, who after such election shall hypothecate, pledge or cease to be the owner in his own right of the amount of stock aforesaid, shall cease to be a director of the corporation, and his office shall be vacant."

The new provisions regarding reserve, which went into partial effect on July 1, 1908, and go into full effect February 1, 1909, are given in full below:

The New Trust Company Reserve Law in New York.

(This went into partial effect on July 1, 1908, and goes into full effect February 1, 1909. The amendments of 1908 are in italics.)

Section 164. Lawful money reserve.—Every trust company having its principal place of business *or a branch office for the receipt and payment of deposits in a borough* in any city in the State *which borough had according to the last preceding State or United States census* a population of *eighteen* hundred thousand *or over* shall at all times have on hand a reserve fund equal to at least fifteen per centum of the aggregate of its deposits, *exclusive of moneys held by it in trust, which are not made payable under the conditions of the trust within thirty days and also exclusive of time deposits not payable within thirty days represented by certificates showing the amount of the deposit, the date of issue, and the date when due and also exclusive of deposits which are secured by outstanding unmatured bonds issued by the State of New York.* The whole of such reserve fund *must* consist of either lawful money of the United States, gold certificates, silver certificates, or notes or bills issued by any lawfully organized National banking association. *Every trust company having its principal place of business in a borough in any city in the State which borough had according to the last preceding State or United States census a population of less than eighteen hundred thousand which does not maintain a branch office in a borough having a population of over eighteen hundred thousand inhabitants according to the last preceding State or United States census, shall at all times have on hand a reserve fund equal to at least fifteen per centum of the aggregate of its deposits, exclusive of moneys held by it in trust, which are not made payable under the conditions of the trust within thirty days and also exclusive of time deposits not payable with-*

in thirty days represented by certificates showing the amount of the deposit, the date of issue and the date when due and also exclusive of deposits which are secured by outstanding unmatured bonds issued by the State of New York. The whole of such reserve fund may, and at least two-thirds thereof must, consist of either lawful money of the United States, gold certificates, silver certificates, or notes or bills issued by any lawfully organized National banking association, and the balance thereof over and above the part consisting of lawful money of the United States, gold certificates, silver certificates, notes or bills issued by any lawfully organized National banking association must consist of moneys on deposits subject to call in any bank or trust company in this State having a capital of at least two hundred thousand dollars or a capital and surplus of at least three hundred thousand dollars, and approved by the Superintendent of Banks. Every trust company having its principal place of business elsewhere in this State shall at all times have on hand a reserve fund equal to at least ten per centum of its aggregate deposits, *exclusive of moneys held by it in trust which are not made payable under the conditions of the trust within thirty days and also exclusive of time deposits not payable within thirty days represented by certificates showing the amount of deposit, the date of issue and the date when due and also exclusive of deposits which are secured by outstanding unmatured bonds issued by the State of New York.* The whole of such last mentioned reserve fund may, and at least *fifty* per centum thereof must, consist either of lawful money of the United States, gold certificates, silver certificates, or notes or bills, issued by any lawfully organized National banking association; and the balance thereof over and above the part consisting of lawful money of the United States, gold certificates, silver certificates, notes and bills, issued by any lawfully organized *National* banking association, must consist of money on deposit subject to call in any bank or trust company in this State having a capital of at least two hundred thousand dollars or a capital and surplus of at least three hundred thousand dollars and approved by the Superintendent of Banks. The amounts to be kept on hand, as above provided, shall be called the lawful money reserve. If the lawful money reserve of any trust company shall be less than the amount required by this section such trust company shall not increase its liability by making any new loans or discounts otherwise than by discounting bills of exchange, payable on sight or making any dividends of its profits until the full amount of its lawful money reserve has been restored. The Superintendent of Banks *may* notify any trust company whose lawful money reserve shall be below the amount herein required to make good such reserve, and if it shall fail for thirty days thereafter to make good such reserve such trust company shall be deemed insolvent, and may be proceeded against as an insolvent moneyed corporation.

The New Trust Company Reserve Law in Massachusetts.

(Adopted in May, 1908. Takes effect January 1, 1909.)

Section 8. Every trust company doing business within the Commonwealth shall at all times have on hand as a reserve an amount equal to at least 15 per cent. of the aggregate amount of its deposits exclusive of savings deposits, and of time deposits represented by certificates or agreements in writing and payable only at a stated time, but wherever such time deposits may be withdrawn within thirty days they shall be subject to the reserve requirements of this act; and every trust company doing business in the city of Boston shall at all times have on hand as a reserve an amount equal to at least 20 per cent. of the aggregate amount of its deposits computed in the same manner.

Section 9. Not less than two-fifths of such reserve shall consist either of lawful money of the United States, gold certificates, silver certificates, or notes and bills issued by any lawfully organized National banking association, and the remainder of such reserve may consist of balances, payable on demand, due from any trust company in the city of Boston authorized to act as reserve agent as hereinafter provided, or from any National banking association doing business either in this Commonwealth or in the cities of New York, Philadelphia, Chicago or Albany; but not exceeding one-fifth of such reserve may consist of bonds of the United States or of this Commonwealth computed at their fair market value, which are the absolute property, and in the possession of such corporation: *provided* that the aggregate amount of lawful money of the United States, gold certificates, silver certificates and notes and bills issued by any lawfully organized National banking association held by such corporation shall at all times be equal to at least 5 per cent. of the aggregate amount of all its time and demand deposits exclusive of deposits in its savings department.

Section 10. The bank commissioner may authorize any trust company in the city of Boston to act as reserve agent for trust companies doing business in this Common-

wealth: *provided, however,* that a trust company may not keep any part of its reserve in a trust company so authorized to act as reserve agent without first obtaining the consent in writing of the bank commissioner. Not less than one-half of the reserve of such trust company acting as reserve agent shall consist of lawful money of the United States, gold certificates, silver certificates or notes and bills issued by any lawfully organized National bank associations, and the remainder of such reserve may consist of balances, payable on demand, due from any trust company in the city of Boston authorized to act as reserve agent as herein provided, or from any National banking association doing business either in this Commonwealth or in the cities of New York, Philadelphia, Chicago or Albany.

ORGANIZATION OF NATIONAL BANKS.

DURING the month of August, 1908, twenty national-banking associations, with total capital of $1,445,000, were authorized to begin business. Of the number chartered, ten, with capital of $260,000, were banks with individual capital of less than $50,000, and ten with capital of $1,185,000, banks with individual capital of $50,000 or over.

The number of banks chartered since March 14, 1900, is 3,967, with authorized capital of $235,508,300, of which 2,567, with capital of $66,870,500, were incorporated under the act of that date, and 1,400, with capital of $168,637,800, under the act of 1864. From the date mentioned to August 31, 508 state banks, with capital of $34,455,800, were converted into national banks, 1,268 state and private banks reorganized as national banks, with capital of $82,242,000, and 2,191 banks, with capital of $118,810,500, organized independently of other banks. As will be seen, the capital of the latter class slightly exceeds the combined capital of the conversions and reorganizations.

The number of national banks organized under the various acts is 9,231, as follows: 456, February 25, 1863; 6,198, June 3, 1864; 10, July 12, 1870 (gold banks), and 2,567, March 14, 1900.

There were in existence at the close of business August 31, 6,870 national banks, with authorized capital $934,735,275; and circulation outstanding secured by bonds $625,986,993. The total amount of national-bank circulation outstanding is $685,326,108, of which $59,339,115 is covered by lawful money of a like amount deposited with the Treasurer of the United States on account of liquidating and insolvent national banks and associations which have reduced their circulation.

DOWN WITH THE MONEY POWER!

"GENTLEMEN," said the great political candidate, "the time has come when the American people must rise in their might and demonstrate before the world that money is not all-powerful. The day of reckoning is here. We owe it to ourselves to let the wealthy classes understand that they cannot control the destinies of our great nation by the mere use of cash. We have in the past been cheated of our rights because the rich men of the country poured their cash with lavish hands into the campaign funds of our opponents, but such proceedings shall avail them little in the future. My friends, the American people have progressed. They are awake to the perils which confront them. They are no longer willing to let themselves be cheated of their own. The debauchery is at an end. We are going to prove to mankind that money has ceased to be potent in this republic—that the use of cash shall not serve to keep a set of rascals in power. The hour, my friends—the great hour—has struck. Honesty is about to triumph over money. Though the millionaires continue to contribute vast sums of ill-gotten gold to those who are endeavoring to cause us to go down to defeat, it is written in the stars that they are doomed to disappointment. On the strength of our platform and the justice of our cause alone we will win this battle. Our victory is certain. Nothing can defeat us. Virtue is at last to triumph, and I may say in conclusion that gentlemen in charge of subscription lists will pass among you at the close of the meeting, offering to each and every one an opportunity to contribute as much as he can to the fund which we shall require for the purpose of carrying on our pure and splendid campaign. Remember that our enemies are going to use millions of dollars for the purpose of accomplishing our defeat. We must have money to fight them in their own way. No single subscription amounting to more than $27,000 will be received, but anyone may contribute that amount as often as he pleases. Gentlemen and fellow patriots, I hope you will be liberal in your donations, remembering that the time has come when it is necessary to prove to the human race that money has ceased to be all-powerful in our political campaigns. Again I thank you."
—*Chicago Record-Herald.*

SAVINGS BANKS IN THE UNITED STATES.

With Map and Table, Showing the Number, Character, Synopsis of Investments, the Number of Reports and Examinations, for Each State in the Union.

By W. H. Kniffin, Jr.

UPON receiving an appointment to a position in a savings bank, a young man went to the president and asked if he did not have some books on the subject which he might read before appearing for duty, as he was totally ignorant of the work of a savings bank. "No, young man," was the reply, "I have no books and don't want any. This subject is not taught in books, but at the counter and at the desk, and you will have to learn it as I have done, by experience."

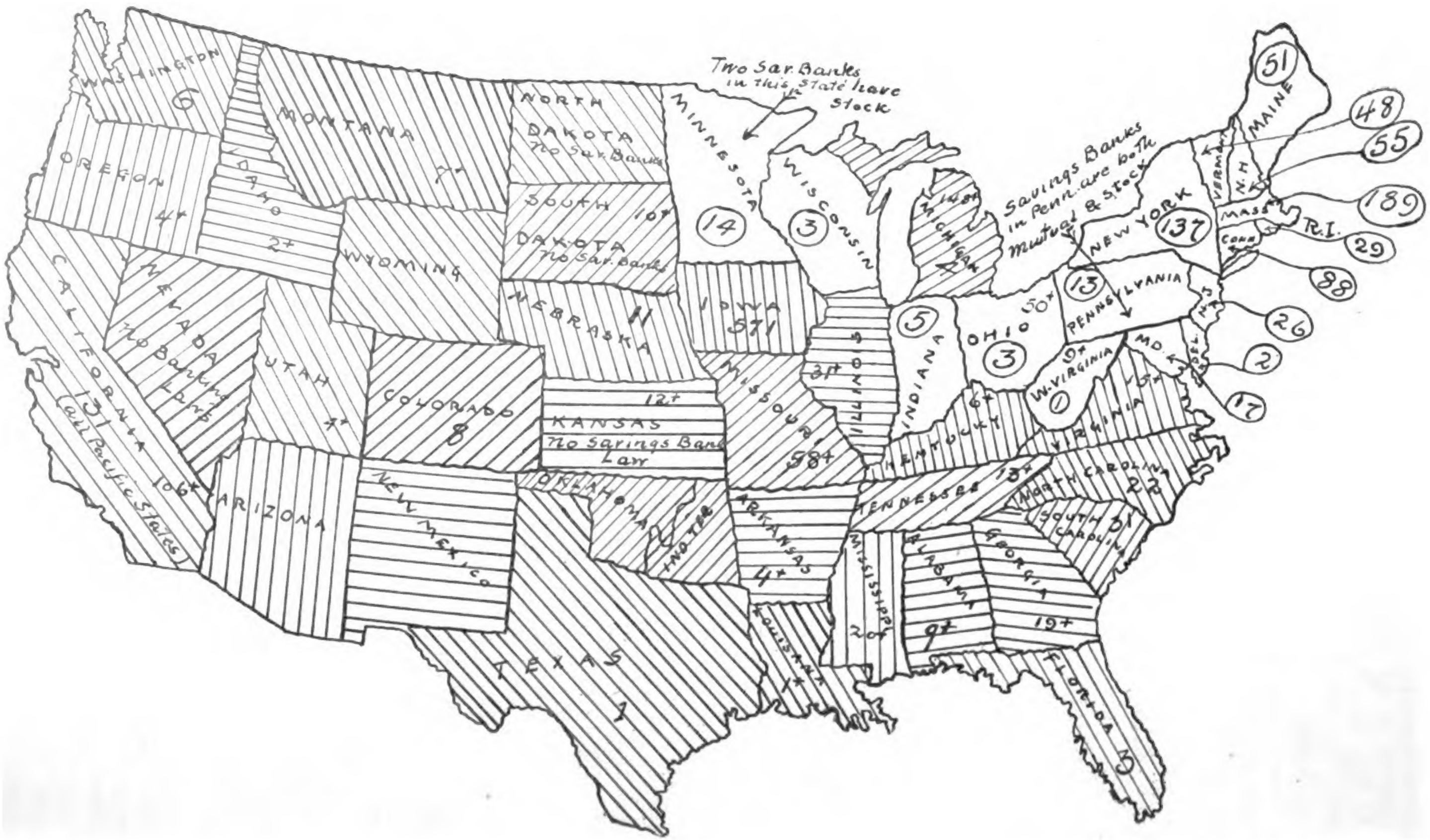
The president was right, in the main. And yet while banking is best learned by working in a bank, books will help mightily in assisting the novice to grasp the details, as well as the theory and the ethics of the profession.

In the realm of commercial banking, and in the field of finance and investment, a dozen standard works will readily suggest themselves to those who have had the inclination to read along these lines, but when the subject of savings banks, as practical institutions, is sought for, a surprising dearth of printed matter will be found. While the fundamentals are somewhat similar in both commercial and savings banks, yet a knowledge of one does not necessarily include the other, for in the practical end, they differ materially. A young man in the position of the one above referred to, would have no other source of information open to him but a few chapters in treatises on commercial banking, and a desultory literature scattered through magazines and convention reports,—all lacking systematic and logical treatment.

It is the purpose of this series of papers to meet this need; to cover the savings bank as an institution thoroughly, both in ethics and practice. To this end, bankers in all parts of the country have been asked to submit forms and methods, and as a result a multitude of forms, suggestions and systems are in hand which will afford a wide field for the investigation of the subject. Such a study is an education in itself, and broadens and expands as the work progresses. But before launching out upon "so extended a cruise", it will be well to pause for a time and survey the field of our explorations, for it will be the American savings bank which we shall study, "an eleemosynary institution, run for glory and not for gain."

What the Map Means.

For those who are interested in the savings bank question, the accompanying map and the supplementary table will afford interesting study. It is more than a few black lines hastily thrown together, for here the savings bank situation as it exists to-day in the United States may be seen at a glance. The shaded portions indicate that stock savings banks are the rule, while the unshaded states are the homes of the trustee or mutual savings bank.



Map showing the character, number and distribution of savings banks in the United States. The unshaded portions indicate mutual or trustee savings banks. Shaded portions indicate savings banks having capital stock. The figures in circles are from authentic sources. Where it has been impossible to obtain the official figures, count has been made of the banks in directories, and the numbers followed by a + are obtained in this manner. For sources of information, see footnote to the tables. Other details are self-explanatory.

The figures in circles indicate the number of mutual savings banks and the figures in the shaded portions indicate the number of stock banks. Those in the latter having the + sign indicate that the figures are not official and are taken from a bank directory by count. In many states it is almost impossible to distinguish between the strictly savings, and the commercial savings, and no authentic figures being available, a correct result is almost unobtainable.

If an argument for the postal savings bank is desired, it may be found in those black lines. If a field for banking by mail is sought, it will be found there also. If opportunities for good legislation and sound, as respecting the savings of the people, are wanted, the fields are many, especially in the States of the South and West.

Concerning banks and banking, the State is responsible for two things: Laws and supervision. Good laws may be found in abundance, and after a critical examination of the laws of all the States, it is an uncontrovertible fact that New York State has the most conservative and the most desirable savings bank act to be found in the Union. It is a model,—well nigh perfect. Many States have inadequate laws and one has none at all, and such conditions are not to the credit of the Commonwealth. Supervision good, bad and indifferent obtains far too often. The State that examines its banks "when expedient," as in Delaware, is not doing its duty, either toward the banks, the people, or itself. The State that has no banking laws whatever, as in Nevada, is helping the postal scheme. Supervision is merely a matter of expense and good men. Provide the money, and the men will appear in due course, as in Ohio last July, when 200 applicants were in line for appointment as bank examiners; but two examiners with 448 banks in charge, as in Georgia, is an invitation to laxness. These men have an impossible task, and the State is to blame for making good examinations beyond human accomplishment.

Distribution of Savings Banks.

The home of the typical American savings bank is in the East, primarily in the Eastern States. Out of a total of 1,415 savings banks, as given in the last report of the Comptroller of the Currency, 665 are to be found in the Eastern States and nearly one-half of these are to be found in the two States of New York and Massachusetts, whose total is 326. Maine, Vermont, Connecticut, and New Hampshire add 222 more, which accounts for nearly all the mutual savings banks in the country. The dearth of savings banks in Pennsylvania will be noticeable, as this flourishing State boasts of but 13. In the absence of the savings bank we have the building and loan associations, of which there are 1,400, which, in a measure, explains the lack of banks, as the loan association fulfills the same purpose and usually is more profitable. In this connection, we quote from a pamphlet issued by the Dollar Savings Bank of Pittsburgh, in 1905: "From its beginning in 1855, the true objects of the incorporation of the Dollar Savings Bank, the advantages of its depositors and the general benefit of the community have been steadily kept in mind. Safety has been regarded rather than large profit, and the preservation unimpaired of the intrusted funds, and the addition thereto of that modern increase which is the result of prudent and unspeculative investment, rather than credit for rapid nominal accumulations too apt to disappear in any severe financial storm.

"This conservative course steadily pursued has enabled the bank to pass uninjured through all the eventful financial crisis of the past fifty years. Its credit has grown with time from the period when the trustees obligated themselves to guarantee from loss the few who were at first disposed to put their savings in its care, to the period when the bank was compelled to check the volume of deposits, by limiting the amount to be received from any one

SAVINGS BANKS IN THE UNITED STATES.

STATE.	CHARACTER.	NUMBER.	CHARACTER OF INVESTMENTS.	REPORTS.	EXAMINATIONS.	REMARKS.
Alabama	Stock.	9 **	Transact a general commercial business. Collateral Loans, Mortgage Loans.	Twice yearly.	Once yearly.	Under the general Corporation Law and transact a general commercial business.
Arkansas	Stock.	4 **	*See remarks.*	None.	None.	Under the general Corporation Law which has no provision for banks. There are no reports, no examinations and no supervision.
California	All stock but the Hibernia Sav. & Loan Association which operates as stock concern but has no capital.	131 (All Pacific states). Comptrollers report 1907. 106 **	Mortgage Loans, U. S. and State of California Bonds, Municipal Bonds in California. If Capital and Reserve is over $100,000 they may purchase other bonds, Collateral Loans. *Loans on Stocks and Bonds.	Four times a year.	Once a year.	Loans on mining stocks are prohibited. A legislative committee is now preparing a new law, based upon the New York law, which will be presented at the next session of the legislature.
Colorado	Stock.	8	U. S. and Colorado State Bonds, Municipal Bonds in Colorado, Mortgage Loans, Loans on personal security up to one-half of deposits. Collateral Loans*. Other collateral loans.	Three times a year.	Twice yearly.	
Connecticut	Mutual.	88	Mortgage Loans, Collateral Loans on Stocks and Bonds, Loans on personal security. Government, State and Municipal Bonds, Bank Stock, Railroad Bonds, Street Railway Bonds, Collateral Loans *on securities which are legal investments.	Yearly.	Twice yearly.	
Delaware	Mutual.	2	*See remarks.*	Twice yearly.	"When expedient."	Delaware has but a makeshift banking act, with scarcely any regulative provisions. Banks are under the insurance department.
Florida	Stock.	3	Mortgage Loans, U. S. and State Bonds, Municipal Bonds, Railroad Bonds, Bank Stock, Collateral Loans*, Personal Loans to depositors secured by pass books; other personal loans not exceeding one year to run.	Twice yearly.	Twice yearly.	All banks under the general Corporation Law.
Georgia	Stock.	19 **	Transact a general commercial business.	Subject to call.	....	No strictly savings banks.
Idaho	Stock.	1	U. S., State and Municipal Bonds, Commercial paper.	Twice yearly.	Yearly.	Only one strictly savings bank in the state.
Illinois	Stock.	31 **	No restrictions, being generally left to the directors. Banks can do a savings, commercial and trust company business under one charter (see remarks.) "There is a disposition to divorce the real estate investments from the banking business."	Four times a year.	Yearly.	Transact a general commercial business; discount commercial paper; deal in bonds, stocks, real estate and farm mortgages; all regulated by the board of directors.
Indiana	Mutual.	5	Mortgage Loans, Government, State and Municipal Bonds, loans on personal security, commercial paper, collateral loans*, other collateral loans	Yearly.	Once in two years.	According to ruling of the Auditor of State of Indiana, bank stocks are not legal investments.
Iowa	Stock.	571	U. S. and State Bonds, Municipal Bonds, Commercial paper, Mortgage Loans, Collateral Loans*.	Yearly.	Quarterly.	Numerically, Iowa has more savings banks than any other state in the Union. They are commercial concerns.

SAVINGS BANKS IN THE UNITED STATES—Continued.

STATE.	CHARACTER.	NUMBER.	CHARACTER OF INVESTMENTS.	REPORTS.	EXAMINATIONS.	REMARKS.
Kansas	Stock.	12 **	No restrictions. Corporation Bonds, Stocks, Bank Stocks and Municipal Bonds of other states forbidden.	Four times a year.	Twice yearly.	Kansas has no savings bank law. All banks are incorporated under the general bank act, which provides for commercial banks only.
Kentucky		6 **	Repeated efforts have been made to obtain this information regarding Kentucky Savings Banks, but without success.	Four times a year.		
Louisiana	Stock.	1 **	No restrictions. Operate as Commercial banks.	Four times a year.	Yearly.	
Maine	Mutual.	51	Mortgage Loans, U. S., State and Municipal Bonds, Railroad Bonds, Street Railway Bonds, Bonds of Water Co.'s in New England, Corporation Bonds and Stock in Maine. Bank Stock, Railroad Stock or Notes, Collateral Loans*, Loans secured by personal property, loans to corporations conducting business in Maine; other collateral loans.	Once yearly.	Yearly.	
Maryland	Stock and Mutual.	17	No restrictions as to investments, loans, or any feature of the business.	No regular reports.	None.	Maryland has no savings bank act. Attempts have been made from time to time by those interested in good banking to have a law passed, but without success.
Massachusetts	Mutual.	189	Mortgage Loans, U. S., State, Municipal Bonds, Railroad Bonds and Notes, Street Railway Bonds, Bank Stocks, Collateral Loans*, loans on personal security; other collateral loans.	Once yearly.	Once yearly.	The Massachusetts law has been revised during the past year and now makes general conditions under which a security becomes legal. The old law specified the securities in most instances.
Michigan	Stock.	4 148 **	U. S. and State Bonds, Municipal Bonds, Railroad Bonds, Street Railway Bonds. Gas and Electric and Power Co.'s Bonds in Michigan. First Mortgage Bonds of Steamship Co.'s. Mortgage loans, Collateral loans*, Commercial paper; other collateral loans.	Four times a year.	Yearly.	
Minnesota	Two Stock. Balance Mutual.	14	Mortgage Loans, U. S., State and Municipal Bonds, Collateral loans*, Railroad Bonds, Debenture Stock of Railways.	Once yearly.	Yearly.	Minnesota has two savings bank laws. Two banks have stock under the law of 1867. Seven banks operate under the old law which permitted them to loan on personal and collateral security.
Mississippi	Stock.	20 **	Savings banks in this State are commercial institutions. The law has no provision concerning investments.	Four times a year.	No system of official examination.	
Missouri	Stock.	58 **	U. S., State and Municipal Bonds, Railway Bonds, Mortgage loans.	Once a year.	Once in two years.	There is a savings bank law in Missouri, but no bank operates under it. The restrictions are so severe as to be impracticable. A new law approved March 18, 1907, takes effect January 15, 1909, *under which commercial banking is not allowed.*

SAVINGS BANKS IN THE UNITED STATES—Continued.

STATE.	CHARACTER.	NUMBER.	CHARACTER OF INVESTMENTS.	REPORTS.	EXAMINATIONS.	REMARKS.
Montana	Stock.	7 * *	U. S., State and Municipal Bonds, Mortgage loans, Personal loans, Collateral loans*; other Collateral loans.	Four times a year.	Yearly.	No banks operate under the savings bank law at this time (June 1908).
Nebraska	Stock.	11	U. S., State and Municipal Bonds, Mortgage (First and Second), Chattel loans on Cattle, Collateral loans*; other Collateral loans.	Four times a year.	Yearly.	Savings banks are not permitted to do a commercial business.
Nevada	No Banking Law.	....	*See Remarks.*	None.	None.	There are no provisions in the constitution of Nevada or laws of the State for banks. There are no requirements to make public reports, and none are made. Returns are not made to any State official. *The integrity of the banker is the only safeguard.*
New Hampshire	Mutual and Guaranty.	55	U. S., State and Municipal Bonds, Railroad Bonds and Notes, Street Railway Bonds, Corporation Bonds, such as Telephone, Telegraph, Express Companies, Bank Stock, Railroad Stock, Stock of Manufacturing Companies in New England, Stock or Notes of Parlor Car Companies, Collateral loans*, Mortgage loans, loans on personal security; other Collateral loans.	Yearly.	Yearly.	New Hampshire is the only State that operates "Guaranty Savings Banks." These have special deposits which act as capital stock and form a guaranty fund. After paying the ordinary depositors the stipulated rate of interest, the special depositors are allowed a larger rate of interest as remuneration for the risk assumed.
New Jersey	Mutual.	26	U. S., State and Municipal Bonds, Railroad Bonds, Collateral loans*, Mortgage loans; other Collateral loans.	Yearly.	Once in two years.	
New York	Mutual.	137	U. S., State and Municipal Bonds, Mortgage Loans, Railroad Bonds, Collateral loans on Securities which are legal investments.	Twice yearly.	Once in two years.	Of all the States, New York undoubtedly has the most conservative law.
North Carolina	Stock.	22	Transact a general commercial business.	Yearly.	Yearly.	
North Dokota	Stock.	None.	Mortgage loans. Transact a commercial business.	Five yearly.	Yearly.	Saving banks are under the general banking law regulating commercial banks. There are no savings banks in this State.
Oregon	Stock.	4 * *	No restrictions.	Same as Nat. B'ks.	Yearly.	There are no strictly savings banks. All banks under one act. Transact a commercial business.
Ohio	Stock and Mutual.	3 Mutual. 50 * *	Mortgage loans, loans on Personal Security, U.S., State and Municipal Bonds, Bonds of Foreign Governments, Corporation Bonds, including Collateral Trust Bonds, Stocks, Collateral loans*, Municipal Bonds in Canada, Commercial paper, Personal loans; other Collateral loans.	Four each year.	Twice yearly.	New law approved May 5, 1908.
Oklahoma	Stock.	3 * *	Mortgage loans, Chattel loans, Bonds, Warrants, Judgments, Municipal Bonds.	Twice yearly.	Twice yearly.	

SAVINGS BANKS IN THE UNITED STATES — Continued.

STATE.	CHARACTER.	NUMBER.	CHARACTER OF INVESTMENTS.	REPORTS.	EXAMINATIONS.	REMARKS.
Pennsylvania	Stock and Mutual.	13	Mortgage loans; U. S., State and Municipal Bonds; "may purchase for Investment any interest-bearing bonds or other obligations of any corporation or individual."	Yearly.	Once in two years.	Savings banks in Pennsylvania are both Stock and Mutual, usually Stock. There is but one Mutual in Western Pa., the Dollar of Pittsburgh. The absence of savings banks is explained by the fact that there are 1,400 building and loan associations in Penna.
Rhode Island	Mutual.	29	U. S., State, Municipal Bonds, Collateral loans*, Railroad Bonds, Equipment Bonds or Notes, Street Railway, Gas, Electric and Power Co. Bonds, Bank Stock, Mortgage loans, Personal loans, Notes of Gas, Water, Electric and Power, Telephone and Railway Companies; other Collateral loans.	Twice yearly.	Twice yearly.	New law of May 26, 1908.
South Carolina	Stock.	31	Mortgage loans, Commercial paper, U. S., State of South Carolina Bonds. *See Remarks.*	Four each year.	Yearly.	The president and board of directors of any incorporated bank are authorized to make loans on negotiable paper for any period not exceeding twelve months. May do a general commercial business, deal in money exchange, uncurrent paper, public and other securities, stock of corporations, discount notes and lend money.
South Dakota	Stock.	10 **	Same as State Banks.	Quarterly.	Twice yearly.	No provision for savings banks.
Tennessee	Stock.	13 **	There is no law regulating the class of bonds in which savings banks may invest. They transact a general banking business.	Semi-annually.	Quarterly.	Tennessee has no banking department.
Texas	Stock.	1	Mortgage loans, U. S., State and Municipal Bonds, Railroad Bonds, Personal loans, Collateral loans*, Commercial paper.	Yearly.	Twice yearly.	Under Commissioner of Agriculture, Insurance Statistics and History. Only one savings bank in the State. May do a commercial business and operate safe deposit department.
Utah	Stock.	4 **	Bonds, Stocks, Mortgage loans, Collateral loans, General Commercial business.	Four yearly.	Four times yearly.	Under the general corporation law.
Vermont	Mutual.	48	Mortgage loans, U. S., State and Municipal Bonds, Bank Stock, Collateral loans*, other Collateral loans.	Yearly.	Yearly.	
Virginia	Stock.	15 **	Stocks, Real Estate, Security, Commercial paper, State Bonds, Government Bonds.	Same as National banks.	Yearly.	
Washington	Stock.	6	Investments are not restricted under the law of 1907.	Three yearly.	Yearly.	Transact a commercial business. No mutual savings banks.
West Virginia	Stock and Mutual.	1 Mutual. 9 **	Mortgage loans, "Deeds of Trust on Real Estate," U. S. Bonds, State, County, City, Town or District Bonds, Personal loans.	Four each year.		Thirteen institutions in West Virginia have the word "savings" in their title.
Wisconsin	Mutual.	3 10 **	Government, State and Municipal Bonds, Railroad Bonds, Mortgage loans, Personal loans.	Three yearly.	Yearly.	
Wyoming	Stock.	1		Five times a year.	Yearly.	

** These figures taken from a standard Bank Directory for January, 1908. In making the count, "Commercial and Savings Banks," "Trusts and Savings Banks" and "Savings Bank Companies" have been excluded and only "Savings Banks" included. In many States it is difficult to distinguish the different classes of banks and no authentic figures are available.

* The term Collateral Loans means a loan upon pledge of security, such as the bank is authorized to purchase. Where other collateral loans are permitted it is so stated.

Sources of information: Comptroller's Report for 1907, Banking Laws of all the States, Reports of Banking Departments, correspondence, and "A Compilation of the Banking Laws of all States," issued by Rhode Island State Library.

person in a single year to the sum of $1,000, and to-day, at the end of half a century, the Dollar Savings Bank stands, with over fifty-one thousand depositors, *the only institution of its kind in western Pennsylvania.*"

Going South and West, the banks take on a more commercial aspect, being business banks, accepting savings deposits, and doing a commercial bank business, but often with the name of a savings bank. This is true of the State of Iowa, which has 571 savings banks, the largest number to be found in any one State, but a majority of these do a commercial business; in fact, there are but few that do not do a commercial business. The reason for the large number is the fact that they may organize with but $10,000 capital, consequently many such may be found in the smaller towns.* Take the State of Illinois, and one is surprised to find no strictly savings institutions. Chicago, with its teeming millions, many of foreign birth, accustomed to the savings bank, has no typical savings banks; as compared with New York, it ought to have a score of high grade, strictly mutual banks. Of course, many large and ably managed institutions may here be found, but these do a savings, commercial and trust company business, under one charter and under one roof. According to the bank directory report above referred to, Illinois has only 31 institutions using the word "savings" alone in their title.

Maryland has no banking law, or practically none. It has no supervising officer and no regulations. Letters addressed to Banking Department, or State Bank Examiner, are returned unopened. Numerous attempts have been made to have a banking act passed, but without avail. Kansas has no banking law that applies to savings banks, although twelve banks may be found with the title of savings banks. Nevada has no banking laws whatever, as before stated. The new banking act of the State of Washington does not regulate savings bank investments. The new law of Texas has a fairly good savings bank section, while up to the passage of the present act, during 1908, Ohio, with its mail order banks bidding for patrons all over the land, has but recently made provision for a banking department. Missouri has a new savings bank law which goes into effect in January, 1909,—in fact, there was a savings bank law previous to the passage of this one, but it was so severe in its restrictions that no bank would operate under it,—the only case on record of a law being too strict.

A Survey of the Field.

Savings banks go where they are encouraged. No matter how pressing the need, where due encouragement is lacking, institutions for saving purposes will not be found. A good institution needs stimulation, protection, supervision, help, while a bad one needs restrictions. No matter how dense the population, or how high the earning power, the first and essential things are good laws and proper supervision. These make for confidence, and confidence makes for success. In many of the shaded States, the mutual savings bank would not be feasible. The conditions do not warrant the venture and would not pay. In New England, with its sturdy Puritan type; in New York, with its Dutch; Connecticut, with its Yankee,—all point to the trustee savings bank. The habits of the people, their environment, their training, make this the best type of savings bank to plant in these sections, but in the West and South, with a different class of people, the stock savings bank, which has the "commercial motive"—the hope of gain that makes men venture, would seem to be the most available form of savings institution. The case of Iowa, above noted, would tend to substantiate this theory.

If a study of the investment laws of all the States were to be made at greater length than the limits of the

* From a letter of B. F. Carrol, Auditor of the State of Iowa.

table allow, it would reveal the fact that as a whole the investments of savings banks may be classed as follows:

1. Government bonds.
2. Bonds of States.
3. Mortgage loans.
4. Municipal bonds (including city, county, town, school bonds).
5. Railroad bonds.
6. Collateral bonds.
7. Street railway bonds.
8. Corporation bonds.
9. Bank stock.
10. Stocks.
11. Personal loans.
12. Commercial paper.
13. Miscellaneous investments.

New York and Minnesota seem to be the only States that do not provide for loans on personal security of some kind. One feature will be found running all through the investments, and that is what may be termed local sentiment,—that is a desire to benefit the immediate community,—sometimes at the expense of safety and conservatism. Thus New York banks may purchase municipal bonds of New York State only, except in specified instances. In Maine, the banks may invest in municipal, or quasi-municipal bonds in Maine, or bonds of corporations in Maine, and bank stock of New England banks only. In Nebraska, savings banks may make chattel loans on cattle (Nebraska is a stock-raising State). New Jersey banks may make collateral loans on stocks or bonds of corporations in New Jersey, and not elsewhere. Colorado banks may only purchase municipal bonds in Colorado. The recent revision of the banking laws of Massachusetts, as respecting savings banks, makes the provisions a little more strict for bonds of "other Railroads" than for railroads in Massachusetts, showing a tendency to favor Massachusetts corporations. Nebraska banks may take second mortgages on improved farm property, provided the total indebtedness does not exceed fifty per cent. of the value. In New Hampshire, savings banks may take mortgages up to seventy per cent. of the value of the property, if within the state, but if the property is located elsewhere, the limit is fifty per cent., showing an inclination to favor local loans, and the law provides that not more than twenty-five per cent. of the deposits may be loaned on mortgages outside of the State. Street railway bonds in New England are legal, those outside are not, while stock of manufacturing corporations in the same section may be held as investment up to a certain percentage of the deposits. No loans on personal security may be made except on two or more approved names, and the *parties must reside within fifty miles of the bank*. In Texas, the first mortgage bonds of railroads *in Texas* are legal. In Rhode Island, not over thirty per cent. of the seventy per cent. authorized on mortgage loans may be placed *outside the State,* and notes of gas, electric light and power, and telephone companies in Rhode Island are legal investments for savings banks of this State.

This desire on the part of the legislative bodies to foster and encourage local industries is almost universal, and is to be expected. A bank is not compelled to invest in securities thus legalized that may be of questionable value, and where such investments prove to be unsound and unprofitable, a severe letting alone on the part of the banks will shortly cure the evil. The case of Massachusetts is in point. Bank stocks of various sorts are legal for this State, but the experience of the banks has proven this form of security to be undesirable, and gradually the banks are eliminating such stocks from their holdings and no legislation is required.

In preparing the map and table, the following course has been pursued, in the endeavor to have the date authentic. First, the banking laws of all the States, to date, have been secured from the several State banking departments. These have been compiled in systematic manner, treating each State alike. Next, a letter was addressed to the supervising officer of each State, asking several questions pertaining to the sav-

ings bank situation in the State. Another letter was addressed to a prominent bank in each State, asking for other details of management, etc., and, as stated above, where the number of banks in the States could not be ascertained from authentic sources, the bankers' directory was used as the basis. And, lastly, the Comptroller's report for January, 1908.

If error is discovered in any of the figures, or otherwise, the writer will be glad to receive corrections, before the matter is placed in more permanent form.

A BANKING MONOPOLY.

THE state banking board of Oklahoma is asserting the right to regulate the number of state banks a town or city shall have. It has refused a charter to one bank on the ground that the place where it was to operate had enough already.

Presumably the law under which the board acts gives it the discretionary power it claims. If so, the power is an unusual one and contains some elements of danger.

In a state which is the sworn enemy of monopolies it is strange that anything savoring of local monopoly in the banking business should be advocated by any except the monopolists. The people of every town or village usually hail the opening of a new bank as an addition to the wealth of the place and an assurance that the needs of the business men and farmers will be better looked after.

If a state banking board is not made up of bankers and shrewd business men it moves blindly when it attempts to gauge the banking needs of a community.—*Chicago Tribune.*

MR. BRYAN.

MR. BRYAN is the Ezekiel of politics. He sees apocalyptic visions more lurid than those of the man recovering from a ten days' jag. In every campaign he sees living things all burning eyes, all widespread wings and wheels within wheels. These are the emanations from his brain which puzzle some, and dazzle more. Money is a subject which exercises a weird influence over this gentleman. He has more financial schemes than the whole Rothschild family ever conceived.—*Los Angeles Times.*

CAPITAL NOT AFRAID OF THE FUTURE.

IT was about this time last year that the scarcity of money began to make itself felt and the warnings were being issued to take in sail. It is a distinct contrast that is now presented. Not that there is an expectation that business will reach a boom stage during the Presidential campaign, but we know there is plenty of idle capital and the success of the issue of railroad and other securities shows plainly that capital is only waiting in a conservative way and that it is not afraid of the future.—*Baltimore News.*

NEW STOCK OF COINS IN INDIA.

THE Indian mints are idle because the stock of rupees (rupee equals 32.4 cents) now on hand is sufficient to meet all currency requirements for probably two years. It is stated that 4,250,000 rupees have been withdrawn from the gold-reserve fund of India during the ten weeks ending July 1 for the purpose of steadying exchange.

SECOND-STORY BILL, THE PIOUS BURGLAR.

(*From Advance Sheets of a Coming Six-Best Seller, by A. Thriller.*)

"Hush!" whispered Second-Story Bill, in a low guttural tone, as a sound from the directors' room fell upon his ears. "Drop them tools, Jake. I hear some one moving around in the bank."

Jake obediently dropped the kit to the floor with a loud clang.

"Who's there?" came a startled voice from the other room.

"My heavens, this is awful," moaned Second-Story Bill, dashing a tear from his eye. "He asks me who I am, and I promised muh mother I would never lie! Ah, well," he added, with a heartrending sigh, "a promise is a promise, and I will keep mine."

Then he called aloud.

"I am Second-Story Bill, the Pious Burglar," he said. "Who are you?"

There was a cry of joy from the other room, and in the open doorway the figure of a man appeared, a smile upon his face, and his hand outstretched in welcome.

"I am the president of this institution," he explained. "I was afraid you were the receiver, but thank Heaven, you are only a plain burglar. We may be able to arrange a settlement that will leave something for the depositors."

And hand in hand they went at the safe together.—John Kendrick Bangs in *Success Magazine.*

PRACTICAL BANKING

Conducted by James P. Gardner.

TREATMENT OF FOREIGN ITEMS.

OUT of town banks and merchants should carefully consider the following memoranda before forwarding or depositing checks, drafts or notes payable in Great Britain or the Continent. In Europe prefixes are not recognized as legal endorsements and so British or Continental checks drawn up to the order of Mr., Mrs. or Miss are not accepted. Such checks therefore should be endorsed with such title omitted. Thus, by way of illustration, a check drawn to the order of Mrs. Mary White should be endorsed Mary White.

Stamped endorsements not signed in writing are also not acceptable. It is therefore necessary that such stamped endorsements should be followed by a written signature.

It is also well in forwarding foreign drafts to designate clearly whether such items are to be treated as collections, proceeds being credited only upon receipt of advices of payment from abroad, or whether such items are to be purchased by the bank receiving them upon receipt. In which event there is the usual recourse if unpaid.

As it is the custom with Continental bankers to release documents accompanying time drafts upon acceptance, that is, upon drafts drawn on banking houses, complete sets of ocean bills of lading and insurance certificates drawn up to the order of the shipper and endorsed in blank should accompany such items. It is also well that hypothecation papers should accompany such items. Care should be taken to instruct the correspondent concerning the delivery of accompanying documents, whether they are to be delivered on the acceptance of the bill or held until paid.

Careful compliance with these suggestions will save much delay and annoyance.

TOO MUCH SYSTEM.

PERHAPS a word of warning in our day should be sounded to call attention to the fact that in the last analysis it is upon the man and not upon the system that the smooth running of the bank's work depends. There is the danger of too much dependence upon the system. System in itself essential, must always have behind it an intelligent adaptation.

Work which often could be done with simplicity and clearness is so overlaid with complicated system, an inheritance perhaps of a former generation, that it becomes muscle-bound.

THE AUDITING COMMITTEE.

WITHIN the past few years it has become the custom in many well organized banks to appoint a committee from the board of directors to make a thorough examination of the securities and the books of the bank, this examination being made quarterly or semi-annually.

These examinations are thoroughly performed, statements being sent out to the various correspondents of the bank for verification. This committee, generally known as the auditing committee of the board, is selected from men

whose experience and knowledge of accounting qualify them for the work. This is distinctly within the function of the directorate of the bank.

At the same time, so complicated has the work become in many of the larger banks, that some have secured for the purpose of examination the services of chartered accountants. In this event the work is very thoroughly done and a proper certificate of the examination is filed with the minutes of the board.

ABBREVIATIONS.

EVERY trade and profession has peculiar to it certain well recognized abbreviations. There is great opportunity for these in the business of banking, for every day there are certain transactions between banks in telegraphing which could be shortened by the use of abbreviations. Of course the many intricate codes in use fulfill the purpose in a general way, but at the same time the suggestions given below open up possibilities in this direction. Thus in recalling a note or item by telegraph, the message ordinarily reading "return without protest" could readily be abbreviated "rethot". "Have we credit for" could be covered by the word "hedf". "Is item paid" could be condensed "Itad", and so on, taking the various common phrases in daily use of inquiry. A little working code of common phrases between the various correspondents would result in considerable saving in telegraph charges, and could readily be adapted.

A FEW AFTERTHOUGHTS ON THE NEW GERMAN CHECK LAW.

SINCE April 1, 1908, when what is known as the German Imperial Check Law of March 11, 1908, went into effect, there has been much interest manifested in banking circles, particularly among those doing business on the Continent, in the interpretation of this new German law. As is well known the system of payment by check so commonly in use in the United States and Great Britain is by no means so prevalent abroad.

The rapidly increasing foreign trade of the German Empire has forced upon the attention of their law makers the need of a radical change in the laws governing checks. Up to recent times payments which with us would invariably be paid by check with them have been paid in cash.

The following are the chief points of interest in the law for bankers in the United States, particular attention being given to the last sentence of the third paragraph.

1. The essential requirements of a check issued in a foreign country, as well as any statements written on a check abroad, will be judged according to the foreign law, (law of the country where drawn) (26 Law).

2. The check is payable at sight; the declaration of a different time for payment nullifies the check, (7 Law).

3. Checks drawn in foreign countries and made payable in the Inland, must be presented for payment to the drawee at the place of payment within the following spaces of time defined by the "Bundesrat" (Congress) (11 par. 2 Law): In European countries—with the exception of Iceland and the Faro Islands—within three weeks; in the United States, Canada, Newfoundland, Mexico, Azores, Madeira, Canary Islands and Cape Verde, within two months.

4. Within the time defined for presentation checks cannot be recalled (13 par. Law 3).

5. Antedated checks are henceforth subject to the stamp-tax. (29 par. Law 2).

6. The expiration of the time defined for the presentation is without influence over the right of the drawee to pay.

7. Lost or destroyed checks are subject to the declaration of invalidity by way of public call.

CURRENT OPINION

BANK GUARANTEE A FINANCIAL NOSTRUM.

SECRETARY OF STATE, ELIHU ROOT delivered a notable address before the New York Republican convention at Saratoga on the fourteenth of last month, and we venture to repeat here that part of his speech which dealt with the problem of bank guaranty as indorsed by the Democratic platform:

One of the propositions of the Democratic platform is to require all national banks to guarantee the payment of deposits by all other national banks. This is another patent financial nostrum, advertised to catch the fancy of the multitude, and it should be suppressed under the pure food law until it is correctly labeled "a measure to compel legitimate business to bear the risks of speculation."

It might well be called a measure to destroy the national banking system, for who will wish to invest his money in a business where it is not merely subject to the risks assumed by the men whom he and his associates select to manage it, but is subject also to be called upon for the payment of an unlimited amount of debts of an indefinite number of persons over whom and whose obligations he and his associates have no control whatever?

A bank deposit is a very simple business transaction. The depositor in effect loans his money to the bank, which borrows it upon a promise to repay it on the lender's order, with or without a stipulated interest. Banks seldom fail to pay the debts thus contracted. Although the deposits are ordinarily many times the capital, losses are exceedingly small.

BANKER NEEDS REPUTATION.

The principal reason why this is so is that bankers are ordinarily men who have established a good reputation in the community for honesty and business sense. People ordinarily will not risk their money by lending it to men who have not these claims to confidence. Under the law any one who can furnish $25,000 can start a bank, but in practice, as a rule, no one can start a bank who cannot also furnish a character which leads the community to trust him and deposit their money with him.

If, however, the sound and honest banks of the country guarantee the debts of every bank, a well-earned reputation for honesty and business judgment will no longer be necessary as a part of the banker's capital. It will no longer be necessary for the community to consider whether a banker is honest or not. Any scalawag can start a bank and obtain deposits on the credit of all the banks of the country. Any one who wishes to use funds in speculative enterprises can start a bank, invite deposits and thus borrow money on the credit of the entire banking capital of the United States.

With such opportunities, who can doubt that the standard of character of the bankers of the country would deteriorate and the use of banking funds for speculative enterprises would increase and that the losses which the honest bankers would be required to make good would increase correspondingly.

WOULD DRIVE OUT CAPITAL.

This burden will fall not merely upon the stockholders of the banks, but upon the depositors also. Much banking capital would inevitably be driven out of the business and such as remained would have to make good its losses by reducing the rate of interest to its depositors and increasing the rate of interest upon loans.

The profits of the banking business, like those of the merchant, the manufacturer and the farmer, depend upon good management. The attempt to make all the profits of good management bear all the losses of bad management is a step in the socialistic process which would level all distinctions between thrift, enterprise and sound judgment on the one hand, and recklessness, incapacity and failure on the other.

SAFETY IN BANKING.

A communication addressed to the editor of the Boston Herald, signed "Vera," throws some light on the financial system in vogue during the years previous to 1861, generally speaking:

The writer being contemporaneous with events thus narrated would state as facts, that with few exceptions the system was vicious in the extreme, and the wage-earners were the losers to the extent of many millions of dollars from insolvent banks, with not one dollar to secure their circulating medium.

In the first business depression of 1837 many banks were rendered insolvent, and specie payments were refused, in order that the banks doing a "business of integrity of purpose" might retain the "gold coin deposit" of ninety per cent. of their circulating medium intact, until business became normal.

This course, on the part of every "New England bank," saved them, not only from insolvency, but also kept their issue of circulation "at par value ever," while other banks to the extent of thirty-six in one state, were made insolvent, after flooding the country with their fraudulent issue made with the "coin deposit" of one bank transferred to thirty-five others, to conform to the law's requirement on organizing outside of New England banks and New York city banks, the circulating medium was generally from five to ninety per cent. discount, and the trader was required to scan a so-called "monthly bank note detector" for fifteen minutes, in order to determine the true and actual value of the bank note tendered him in trade or business.

Many going West to buy land found on arrival at destination, the means of travel being slow, their funds largely reduced by broken banks and counterfeits, or notes at large discount from various causes.

After the Mexican war in 1846, the country was flooded with Mexican silver 6¼c., 12½c., 25c., 50c. and $1. If the "pillars were invisible" on each of these "coins, from abrasion," they passed current for only 5c., 10c., 20c., 40c., and 90c. each.

You will note, Mr. Editor, from the above facts, which are indisputable, that "some of us have been there," and therefore "smell the battle afar off," at any and every attempt to destroy the admirable and efficient system, formulated by Secretary Salmon P. Chase, which has stood the test of forty-three years. It has long ago passed the experimental and entered the practical stage of its existence. It may be said in tribute to its noble and able founder, no wage-earner, laborer or other person has lost one cent by the "circulating medium" of the "national banks" of these United States of America.

BANK EXAMINERS AND BANK FAILURES.

On September 21, bank examiners from the East met at Washington in the Treasury Department, to discuss with Comptroller Murray and Deputies Kane and Fowler, various suggestions for bettering the system of examinations now in use. The feature of the meeting was an address by Comptroller Murray, who scored the examiners for lax examination of banks in the past, and attributed to their loose methods or lack of proper examination many of the serious bank failures of recent years.

In his address, Comptroller Murray, in urging a higher standard, said in part: If getting fees from banks is more important to you than getting information about the bank for me then resign at once.

I say emphatically that your work must be improved. Embezzlements have failed of discovery, defalcations and dishonesty have been concealed from you and in many cases you have failed to correctly or even approximately estimate the value of the paper and securities held by the bank.

There are in this office instances where an examiner has failed to discover, although he made several successive examinations, various shortages or other criminal wrong doing in the bank.

POWER OF A CENTRAL BANK.

This expression of the value of a Central Bank, especially in time of a panic is from the *Wall Street Journal*:

What does the item mean in actual dollars that says that the Bank of England now holds a reserve equal to fifty per cent. of its liabilities? It means that the bank carries in its vaults a reserve fund of $125,000,000. That is nearly equal to the combined reserves of the National City Bank, the Bank of Commerce, and the National Park Bank of New York. In other words, there is concentrated in the Bank of England a financial power equal to the three largest New York city banks.

The forty-nine clearing-house banks of New York hold a reserve of $401,000,000, but this reserve, although three times as large as that of the Bank of England, is divided among many institutions and therefore has not the power which a reserve fund highly centralized exercises. Suppose the national banks of the United States were permitted to organize a central bank to represent them. They would only have to contribute towards the capital of such a central bank twenty per cent. of their existing capital and surplus to give the central institution a reserve fund of nearly $300,000,000. Such a bank would take immediate standing among the three or four greatest banks of the world, and it would have a tremendous power in time of a panic.

INSURANCE OF BANK DEPOSITS.

On September 24, Milton D. Ailes, vice-president of the Riggs National Bank of Washington, D. C., delivered an address before the Kentucky State Bankers Association in session at Lexington.

Mr. Ailes spoke of the origin and growth of the movement looking to the insurance of bank deposits and expressed the belief that, with a flexible bank note currency, this agitation would cease. In his own words:

Give us some sort of elastic bank note system which will enable the banks to meet the depositor with currency, a currency that is a credit and just the same as is the credit on the banks' books in the form of a deposit, and the cry for deposit insurance will cease. Give us a flexible bank note currency that will respond to the swelling demands of prosperous years, and that will shrink quietly in the lean and hungry seasons, and the banks of this country with their depositors will go on through other eras of prosperity more enduring than any we have ever known.

SILVER CERTIFICATES IN DEMAND.

The Treasury Department is receiving demands for silver certificates of small denominations from New York, New Orleans, St. Louis and the West in greater quantities than the department is able to supply because of lack of free silver.

Treasurer Treat says that if the banks and others will send in silver certificates of the denominations of 20's and 50's, the Treasury will supply the small notes in twenty-four hours. There are $25,000,000 of silver certificates of denominations of $20 and above outstanding.

BANKING IN MEXICO.

IN the neighboring Republic of Mexico banking has developed along lines presenting many marked contrasts to our own banking system. The Mexican banks are, generally speaking, large institutions having branches. Their ownership is concentrated, and there is a spirit of co-operation that adds greatly to the security of the different institutions. Notes are issued on the general credit of the banks, and are further based upon a strong cash reserve. The safety of the notes is absolute.

Deposits, with most Mexican banks, do not mean credits for loans, but represent actual cash. The proceeds of loans are placed under a separate head. As a result of this practice, the deposits are much smaller than for banks of the same total footings in the United States—a fact to be borne in mind when making comparisons.*

As a rule, the banks operate under a general law, though a few have special concessions. French capital is largely represented in the shareholdings, some of the institutions being partly managed by committees resident in Paris. Mortgage banks, such as exist in several European countries, form an important part of the credit institutions of Mexico and supply the demand for long-time loans on real estate. Trust companies, as conducted in the United States, are unknown, though a few banks transact some of their functions. Savings banks are not numerous. The use of checks is very limited.

American, English and Canadian interests have quite a strong representation in the ownership and management of the banks in Mexico City. It is a fact, not without some interest, that the banks so owned and managed are nearly all quite close to each other in one part of the city, while the other banks are located in another quarter.

Accompanying this article will be found an official statement of the Mexican banks on July 31, 1908. As will be seen from the comparative figures, the banks have grown at a remarkable rate in the last eight years.

The MAGAZINE also presents in this issue a number of illustrated descriptions of the banks of Mexico City, and later on expects to treat of the banks throughout the Republic.

THE BANKS OF MEXICO CITY.

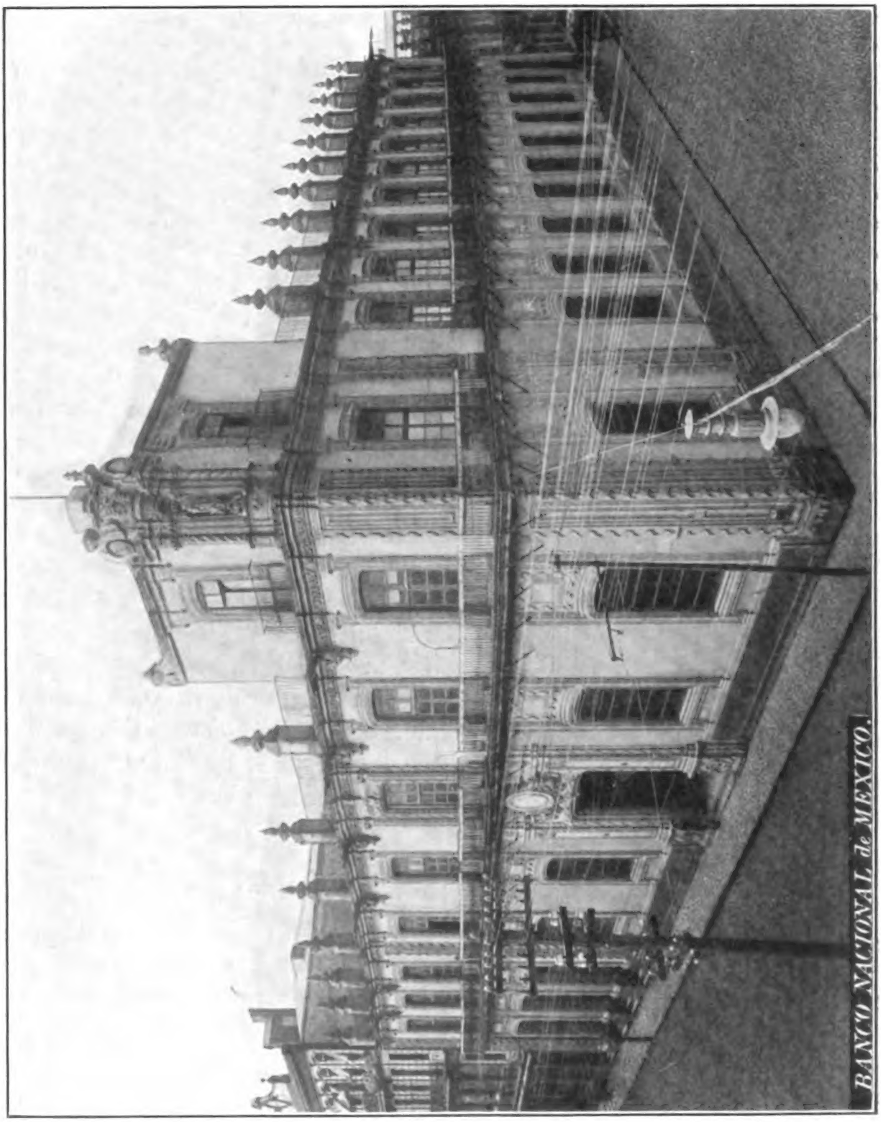
BANCO NACIONAL DE MEXICO.

AT the head of the banking system of Mexico stands the National Bank of Mexico, an institution whose form of organization and functions somewhat resemble the Bank of England, though in many important respects a wide difference exists between these two great banks.

The National Bank of Mexico is not a Government bank, yet it performs many important services for the Federal Treasury in handling the public funds, in managing loans, and has also made direct advances to the Government. It does not enjoy a monopoly of issuing notes, but shares this function with one other bank in the City of Mexico and with a number of state banks throughout the Republic.

While not exactly a central bank, according to the common usage of this term, it approximates closely that form of organization. It has been said that

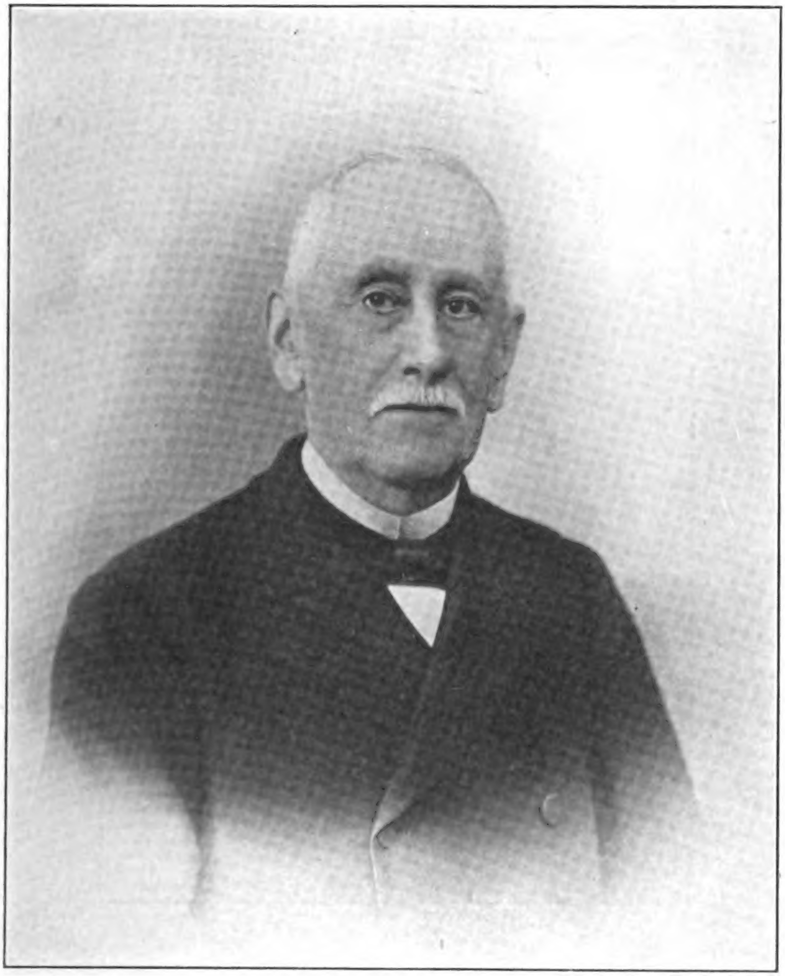
* Amounts given in this article are in pesos (value about fifty cents in U. S. currency), unless otherwise stated.



Banco Nacional de Mexico.

it is not a central bank theoretically, but it is actually.

One thing is clear—the National Bank of Mexico constitutes one of the chief bulwarks of the nation's credit, and to it other banks and the commercial community have been accustomed to look in time of stress, and not in vain. A recent instance of the efficiency of this institution in supporting the fabric of banking credit was afforded in Yucatan, where there was some financial disturbance owing to a depression in local industry. The National Bank of Mexico brought forward its great resources to protect the situation, and with immediate and beneficient results.



SEBASTIAN CAMACHO
President of the Board, Banco Nacional de Mexico.

In point of combined capital and surplus, circulation and total resources, the National Bank of Mexico is easily first among the country's financial institutions.

The origin of the bank may be traced to the necessities arising from the inauguration of railway development and the gradual industrial awakening of the country.

The National Bank of Mexico was established by the merger, in June, 1884, of two existing banks—the Mexican National Bank and the Mercantile Bank.

It was provided that the capital of the bank might be $20,000,000, of which at least forty per cent., or $8,000,000, was to be paid before commencing business. French capital was largely represented in organizing the bank, but the concession stipulated that twenty per cent. of the capital must be subscribed by Mexicans.

Provisions respecting note issues have undergone some change since the foundation of the bank. At present the notes are of the denominations of $5, $10, $20, $50, $100, $500 and $1,000. From the first the bank was allowed to issue $3,000,000 in notes for every $1,000,000 money or bullion on hand. This limit has never been reached.

JAVIER N. CANSINO
Assistant Manager Banco Nacional de Mexico.

The amount of notes in circulation has never exceeded $40,000,000, a sum very slightly in excess of and very often below the actual cash in hand. At the present time the notes in circulation are about $33,058,708, while the cash in hand is $45,787,455.23; that is to say, nearly $13,000,000 in excess of circulation.

The notes of the Banco Nacional de Mexico were, by the terms of the con-

cession, made the only ones acceptable by Federal offices; and, on the other hand, the bank allowed the Government a borrowing account. The account which the bank agreed to open to the Government was for $8,000,000 at six per cent. a year, but for the last fifteen years the Government has not borrowed from the bank, but has funds deposited in the bank which actually amount to over $40,000,000.

When the consolidation of the two banks above mentioned went into effect the new concession practically prohibited the creation of additional banks of issue. In 1896 the law was modified considerably, and the privilege of issuing circulating notes is now enjoyed by a number of state banks.

Progress of the Bank.

When the union of the two banks was consummated the capital was raised to $20,000,000, the amount paid up increasing gradually until December, 1900, at which time the full capital was paid in. At the general meeting of the shareholders held in October, 1905, it was decided to raise the capital to $32,000,000, the new shares being issued at $340.

From the figures given herewith a survey of the bank's progress may be obtained:

	Circulation.	Surplus.	Cash.
1882	$ 2,262,019	....	$3.504,138
1892	14,580,694	$1,316,158	11,678,263
1902	27,609,136	4,108,134	24,975,033
1908	39,479,934	27,300,000	43,932,000

The shares of the bank have advanced from 115 in 1884 to 371 in 1908.

Manifestly, the control of the Banco Nacional de Mexico rests in the hands of men of the highest financial ability. Señor Don Sebastian Camacho is president; Señor Lic. D. Pablo Macedo, vice-president.

The board of directors is composed of the following: Sebastian Camacho, Pablo Macedo, Antonio Basagoiti, Felix Cuevas, Pablo Escandón, Augustin Garcin, Luis G. Lavie, Julio M. Limantour, Roberto Nuñez, Ernesto Otto, Ernest Pugibet, Manuel Romano Gavito, Jose Mario Roa Barcena, Saturnino A. Santo, and Hugo Scherer, Jr.

E. Huard, Edouard Noetzlin, Carlos Demachy and Raphael de Bauer, comprise the Paris committee.

Sub-directors, Manuel Pereda and Javier N. Cansino.

Cashier, Joaquin Salas A.; accountant, Manuel Auza; secretary, Enrique Angulo.

Attorneys, Pablo Macedo and Indalecio Sánchez Gavito.

Through its fifty-four branches and agencies the bank has direct representatives in all the principal commercial points in Mexico, while its correspondents include the leading banks in many foreign countries.

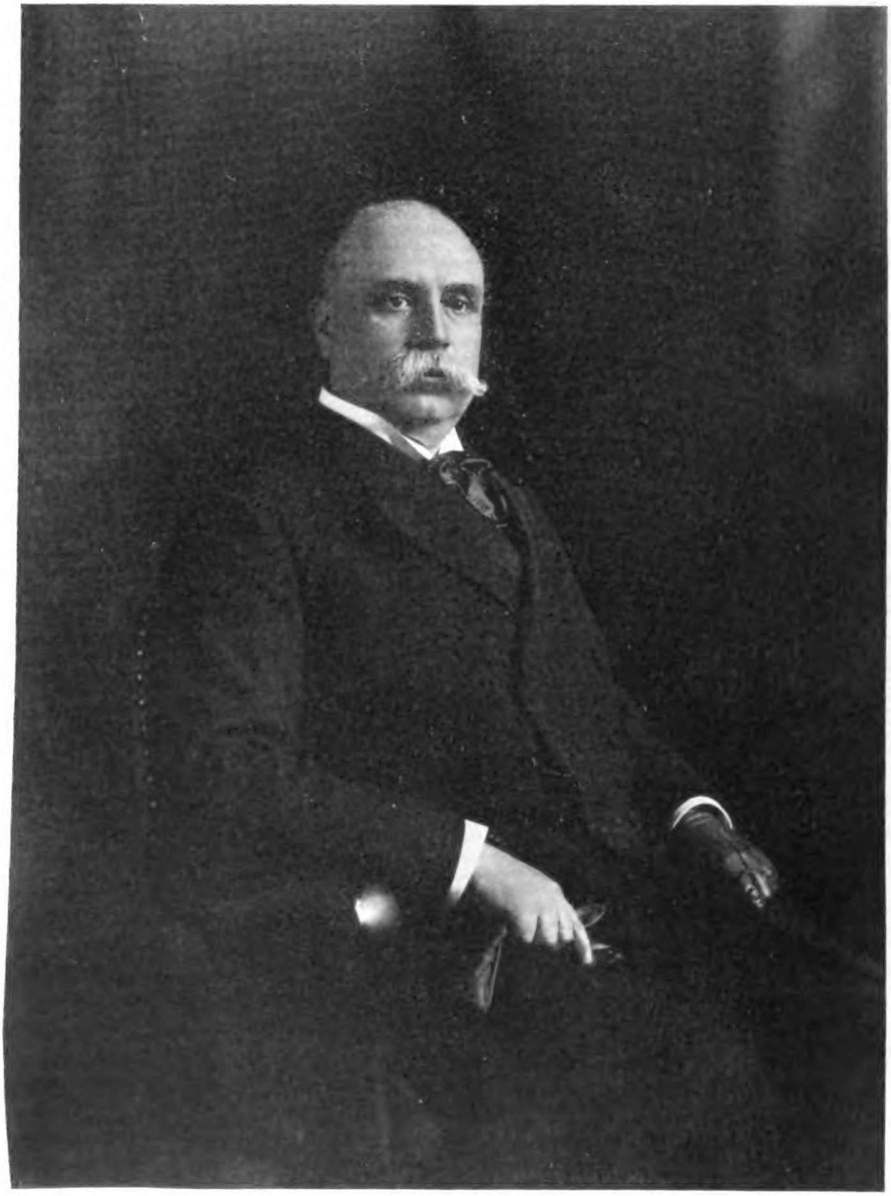
By reason of its size, the important functions performed, and especially because of the prominent part taken in conserving banking and commercial credit, the Banco Nacional de Mexico has established its pre-eminence among the banks of Mexico.

BANCO CENTRAL MEXICANO.

FOR Americans this institution possesses especial interest, because the two men who were chiefly instrumental in its establishment—Mr. Enrique C. Creel and Mr. Joaquin J. Casasus—have both served their country as Ambassadors at Washington, Mr. Creel now occupying that post, and Mr. Casasus having preceded him.

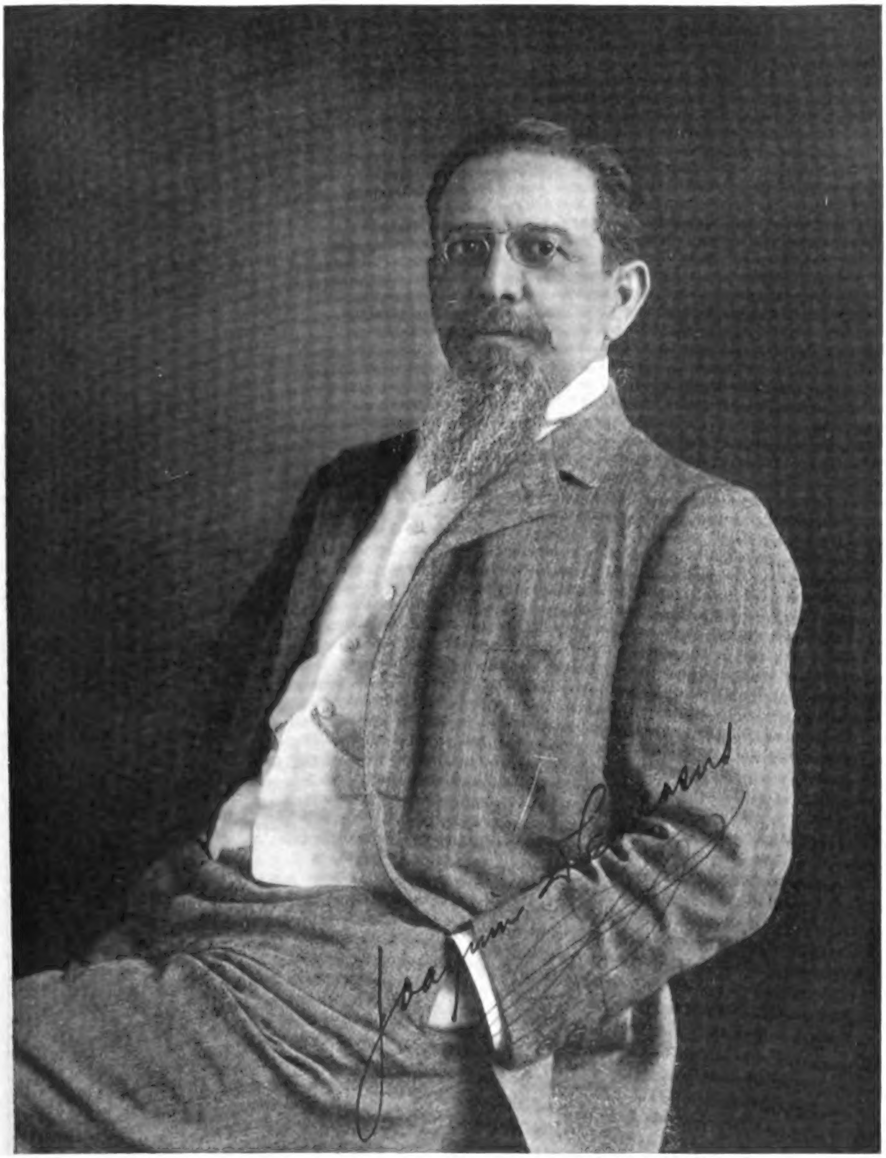
Although one of the very large banks of the Republic, the Banco Central Mexicano is not a bank of issue. It was organized mainly for facilitating agriculture and trade, and the growth already attained indicates how faithfully its functions have been discharged.

The bank opened on February 15, 1899, with $6,000,000 capital, one-half of which was paid in. Originally fifty per cent. of the stock belonged to a syndicate represented by the Deutsche Bank, Messrs. Bleichroeder, and J. P. Morgan & Co., and this syndicate had



HON. ENRIQUE C. CREEL

Founder and Former President Banco Central Mexicano. Governor of the State of Ch huahua. Mexican Ambassador to the United States.

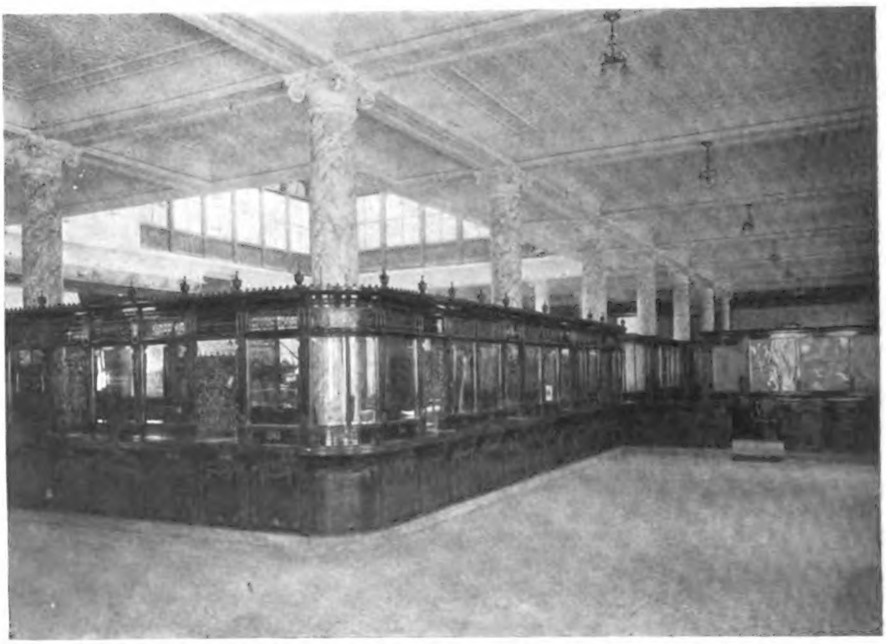


JOAQUIN D. CASASUS

President Banco Central Mexicano. Former Mexican Ambassador to the United States.

a majority of the board. Such an arrangement was found to be a hindrance to the bank's progress, and a plan was devised whereby the various state banks of the Mexican Republic took over the shares held abroad, thus placing control in local hands and at the same time solidifying the financial interests of the country in a way that has proved highly beneficial. An increase of the capital was found to be necessary, first from $6,000,000 to $10,000,000, and later to $30,000,000. Of the last two increases amounting to $20,000,000, a Paris syndicate took $14,000,000. Both at home and abroad the shares have

Banco Central Mexicano.



Main Banking Room
BANCO CENTRAL MEXICANO.

been highly regarded by investors, commanding a premium amounting to as much as eighty per cent. within a period of seven years after the bank was founded.

The large capital possessed by the Banco Central Mexicano not only insures greater strength, but enables the bank to act more freely in carrying on the enlarged credit operations that have necessarily followed the steady development of the country's agricultural, industrial and commercial interests.

A feature of this bank's business that has attained important proportions is the issue of what is styled a cash bond

FERNANDO PIMENTEL Y FAGOAGA

Vice-President ard Managing Director Banco Central Mexicano. Mayor of the City of Mexico. President Banco Hipotecario de Credito Territorial Mexicano. President Compania Bancaria de Obras y Bienes Raices.

FEDERICO KLADT
Manager Banco Central Mexicano.

—in effect a fixed deposit bearing five per cent.

Some idea of the present standing of this institution may be had from the accompanying figures, taken from the statement of July 31, 1908:

Capital	$30,000,000
Surplus	6,186,605
Deposits, sight	5,580,889
Deposits, fixed	5,240,595
Credit accounts	31,577,829

On the same date the total of the balance sheet was $79,144,320.

For the year ending December 31, 1907, the total cash turnover was $2,891,485,979.68.

That the bank has been profitable to the shareholders appears from the fact that dividends have been paid as follows: 1899, five per cent.; 1901, seven per cent.; 1902-1905, ten per cent; 1906-1907, eleven per cent.

The progress made from the date of organization is indicated in the table given herewith:

PROGRESS OF THE BANK FROM FEBRUARY 15, 1899.

Year.	Capital.	State Banks.	Current Accounts.	Foreign Exchange.	Check Accts. and Sundry Creditors.	Cash Bonds.	Cash Turnover.	Divs. per ct.
1899....	$3,000,000	$84,029,913	$47,510,675	$37,834,771	$57,455,816	....	$232,596,011	5
1900....	6,000,000	159,165,489	64,970,181	50,525,347	164,010,438	$1,517,000	417,311,344	7
1901....	7,000,000	220,469,437	93,811,717	60,031,086	331,467,142	3,621,700	710,311,344	7
1902....	7,000,000	317,728,928	201,321,669	201,072,945	472,729,309	7,522,800	955,149,526	9
1903....	10,000,000	406,489,928	199,778,557	306,254,925	474,795,391	3,317,700	1,133,273,240	10
1904....	10,000,000	467,741,465	174,448,963	218,409,210	876,155,474	7,193,800	1,875,930,244	10
1905....	21,000,000	670,585,461	315,463,093	159,648,548	1,775,733,461	9,287,400	2,588,754,858	10
1906....	21,000,000	483,460,118	441,931,928	154,166,874	1,838,636,059	6,799,500	2,740,912,750	11
1907....	30,000,000	527,629,120	348,298,843	139,545,089	2,599,767,310	4,489,800	2,891,485,979	6

PERSONNEL OF THE BANK.

Mention has been made already of Mr. Enrique C. Creel, one of the founders of the bank, and formerly president. He is widely known for his ability and integrity and for his accurate knowledge of Mexico's resources and industries, with whose development he has been so honorably identified. Mr. Creel rose from humble circumstances to a position of great prominence as a statesman, and has also become one of Mexico's wealthy men. He is Governor of the State of Chihuahua and Mexican Ambassador to the United States. His political duties have made it imperative for him to relinquish many of his business connections. His coadjutor in establishing the Banco Central, Mr. Joaquin D. Casasus, succeeded him as president of the bank.

Mr. Casasus ranks among Mexico's most eminent citizens. He is an authority on monetary and banking subjects as well as on corporation law. As previously stated, he has occupied the post of Mexican Ambassador to the United States. His connection with the Banco Central dates from the origin of the institution, and to the administration of its affairs he has brought rare financial capacity.

JOHN SUTCLIFFE
Assistant Manager Banco Central Mexicano.

Fernando Pimentel y Fagoaga, Vice-President and Managing Director, is one of Mexico's foremost financiers and capitalists. He is Mayor of the City of Mexico, president of the Real Es-

tate and Public Works Banking Co. (capital $10,600,000), the Compania Industrial Attisco (capital $6,000,000), Banco Hipotecario de Credito Territorial Mexicano (capital $5,000,000), Mexican Life Insurance Co. (capital $2,500,000), and of several important industrial corporations having large capital. He is also a member of several consulting boards of local banks in the City of Mexico.

The directors of the Banco Central Mexicano are all capitalists of high standing, and well-known business men. A roster of the officials and directors is annexed.

Officers: Government Inspector, Juan N. de Palacio; General Manager, Fernando Pimentel y Fagoaga; Sub-Manager, Federico Kladt; Deputy Sub-Manager, John Sutcliffe; Comptroller, Rafael Icaza y Flores; Cashier, J. M. Robles; Secretary of the Board, Miguel Lanz Duret.

Auditors elected by the General Meeting of Shareholders: John F. Brittingham; José González Misa y Manuel Suárez.

Directors: Lic. Joaquin D. Casasús, Presidente; Fernando Pimentel y Fagoaga, Vice-Presidente; Francisco Rincón Galllardo, Ramón Alcázar, Manuel Araoz, Antonio V. Hernández, Miguel Iturbe, Emilio Meyrán, Donato de Chapeaurouge, Mauricio Ullmann, José Signoret, Carlos Casasús, Rafael L. Hernandez, Francisco Madero, Lic. Fernando Duret, Lic. Luis G. Tornel, Jesús Salcido y Avilés, Mariano Yánez, Carlos Bracho, Guillermo Acho, Gustavo Bloch, Ernesto Schrœder.

Mr. Federico Kladt, the Sub-Manager, is a member of the Exchange and Currency Commission, formed by Government decree on April 3, 1905, for the purpose of carrying out the new currency law. Mr. Kladt is also a well-known banker of twenty years' standing.

Mr. John Sutcliffe, the efficient and courteous Deputy Sub-Manager, was for eight years Manager of the London and Central American Bank Co. in Nicaragua and San Salvador. He has been with the Banco Central Mexicano since its foundation.

Besides its close affiliations with the leading State banks of Mexico, the Banco Central Mexicano maintains banking connections with the principal financial centres of the United States and Europe.

BANCO DE LONDRES Y MEXICO.

SHARING with the National Bank of Mexico the right of issuing notes, this institution ranks among the most important banks of the country.

It was established in 1864 as a branch of the London Bank of Mexico and South America, Ltd., continuing as such until 1889, when it became a Mexican institution with the right to issue bank notes. The capital was then $1,500,000, but it was successively increased in 1891, 1896, 1899, and May, 1905, to three million, ten million, fifteen million, and twenty-one million five hundred thousand dollars. The addition of 1899 was by the issue of 50,000 new shares of the nominal value of $100 each, at $150. In 1905 a new issue of 65,000 shares was made at $195, or at ninety-five per cent. over the nominal value.

The shares of the bank are officially dealt in in Paris as well as in Mexico.

Dividends have been paid in recent years as follows: 1900, eleven per cent.; and for the five years to 1905 at the rate of twelve per cent.; 1906, thirteen per cent., and in 1907, fourteen per cent.

On August 1, 1908, a dividend of $5.00 a share was paid on account of profits of the present year. The balance is payable in March next.

From the balance-sheet of December 31, 1907, the following figures are taken:

LIABILITIES.

Capital paid-up (no liability)	$21,500,000
Reserve funds	15,000,000
Current accounts, deposits, etc.	39,493,625
Bills payable	2,099,031
Notes in circulation	14,250,721
Dividends payable and to credit of profit and loss	2,738,698
Total	$95,082,077

ASSETS.

Cash on hand	$10,799,403
Notes of other banks	1,617,796
Due from agents	1,456,497
Bills discounted	36,306,588
Loans on securities	27,932,937
Loans on real estate	1,186,820
Current accounts	13,896,773
Bank premises	1,885,250
Total	$95,082,077

While paying a handsome return on its capital, the Banco de Londres y Mexico has largely increased its reserve funds, or surplus, as may be seen from the accompanying table:

RESERVE FUNDS.

1900	$ 4,750,000
1901	5,500,000
1902	6,000,000
1903	6,500,000
1904	7,000,000
1905	13,500,000
1906	14,250,000
1907	15,000,000

It should be borne in mind that the capital was $15,000,000 from 1900 until 1905, when it was raised to $21,500,000.

The members of the Board of Directors are: President, General Manuel Gonzalez Cosio; Vice-President Lic. Rafael Donde; Joaquin Baranda, Luis Barroso, Andres Bermejillo, Valentin Elcoro, Francisco Espinosa, Alfonso Michel, Remigio Noriega, Jose Sanchez Ramos, Leon Signoret, and Enrique Tron.

Following are the officers of the bank:

General Manager, Francisco Yarza; Sub-Manager, Guillermo Hopfner; Accountant, Miguel Casillas; Inspector of Branches, Aurelio Diaz; Cashier, Javier Lavista.

The Banco de Londres y Mexico has branches in Mexico at Aguascalientes, Durango, Guadalajara, Guanajuato, Mazatlan, Morelia, Monterey, Puebla, Queretaro, San Luis Potosi, Torreon and Vera Cruz.

The bank has the following foreign connections:

London Agents: The London Bank of Mexico and South America, Ltd., and Messrs. Lazard Bros. & Co.

New York Agents: Bank of British North America, and Messrs. Muller, Schall & Co.

Paris Agents: Credit Lyonnais and Banque de Paris et des Pays-Bas.

Madrid Agents: Banco Hispano Americano, Credit Lyonnais, and Messrs. Urquijo & Co.

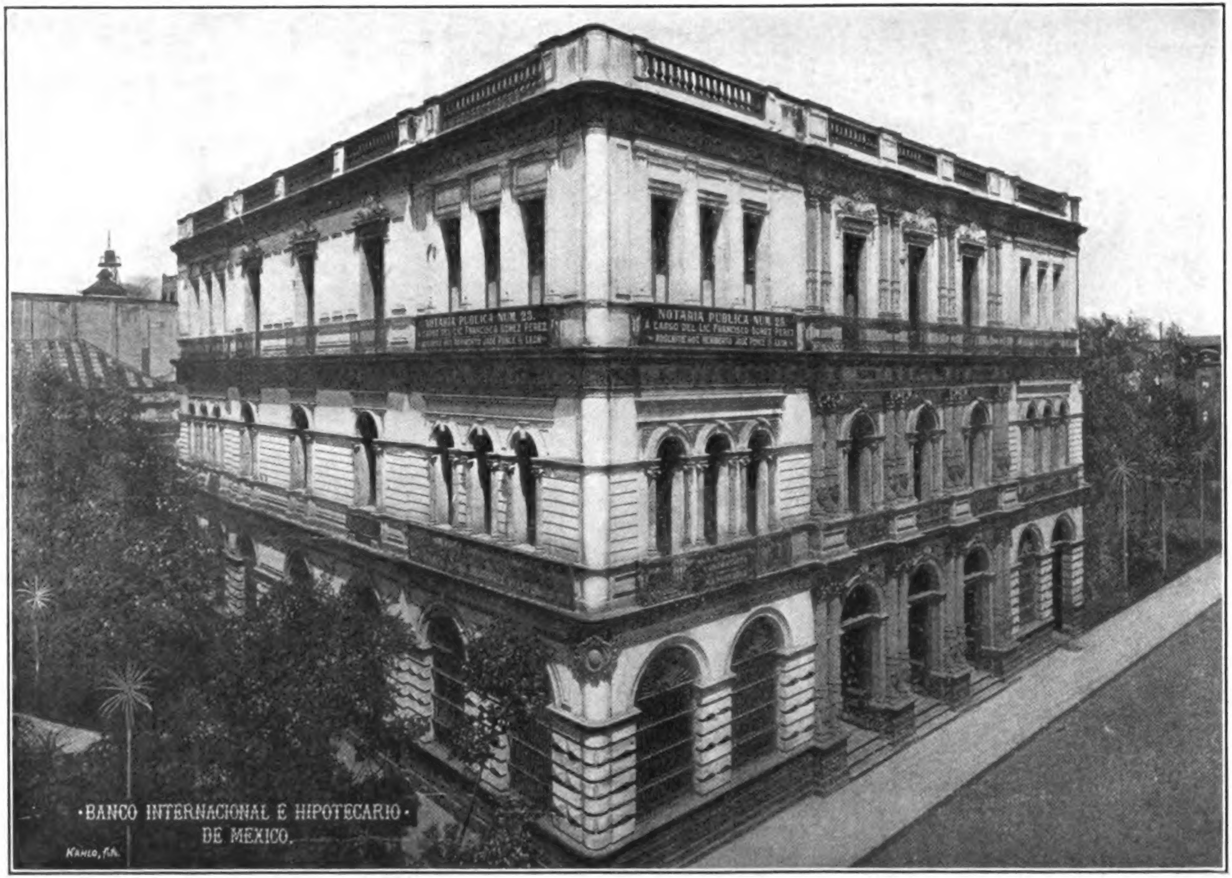
Hamburg Agents: Messrs. L. Behrens & Sohne.

BANCO MEXICANO DE COMERCIO e INDUSTRIA, S. A.

When, on July 27, 1906, the concession was granted for the founding of the Banco Mexicano de Comercio e Industria (Mexican Bank of Commerce and Industry) there was added to the financial institutions of Mexico a bank which from the start took its place with the most powerful in the country. Its authorized capital was $10,000,000, of which $7,500,000 has already been paid in, while the men instrumental in the organization represented some of the very strongest banking institutions and best-known capitalists of the world, including the Deutsche Bank of Berlin and Messrs. Speyer & Co., of New York.

The board of administration for the Mexican Bank of Commerce and Industry is composed of sixteen members—three resident in Germany, three in New York, and ten in Mexico City, namely: Albert Ballin of Hamburg; Georg Zwilgmeyer and E. Heinemann of Berlin; James Speyer, of Speyer & Co. of New York; Jacob Langeloth, president of the American Metal Co. of New York, and H. Clay Pierce of New York. The resident members in Mexico City are: Pablo Macedo, the distinguished lawyer, who is president of the board; Rudolf Stoecker, vice-president; J. B. Body, managing director of the interests in Mexico of S. Pearson and Sons, Ltd., of London; Franz Boker, Oscar J. Braniff, Ernesto Otto, Martin G. Ribon, Guillermo Landa y Escandon, Hugo Scherer, Jr., and E. N. Brown, president of the National Lines of Mexico.

The managers of the Banco Mexicano de Comercio e Industria are



Banco Internacional e Hipotecario de Mexico.

James Walker and Albert Fricke. Mr. Walker had a prominent share in organizing the bank—a work for which he was well qualified by reason of his long and successful identification with banking in the City of Mexico. Mr. Walker's banking experience began in London with the Bank of London and Mexico. In 1888 he went to Mexico, in the service of the same institution, where he remained for seventeen years, being promoted from one position to another until he became general manager. He is a member of the Mexican Monetary Commission which devised and put into effect the plan for establishing the gold exchange standard in Mexico.

For the second business year of the bank (1907) the board of directors reported that, despite the unsatisfactory condition of general business, a net profit (including $131,945.58 carried forward from 1906) of $592,486.50 was made. Out of this amount a dividend of six per cent. was declared, ten per cent. was set aside for the reserve fund, $75,000 for a special reserve fund, and $50,000 was applied towards construction of the new bank building.

The general balance-sheet of the Banco Mexicano de Comercio e Industria, on December 31, 1907, showed a footing of $17,726,488.14.

In all of the important cities and towns of Mexico the Banco Mexicano de Comercio e Industria is well represented by banking correspondents, as it is also throughout Europe, South America, Cuba, China, Japan and the United States. The correspondents in the latter country being: New York, Speyer & Co.; Guaranty Trust Company; Muller, Schall & Co., and National City Bank. Chicago, Commercial National Bank. St. Louis, Mississippi Valley Trust Company. San Francisco, Thannhauser & Co.; Wells Fargo-Nevada National Bank.

The foreign correspondents include the following: London, Deutsche Bank (Berlin) London agency; Speyer Bro. Berlin, Deutsche Bank. Hamburg, Hamburger Filiale der Deutschen Bank. Paris, Banque Francaise pour le Commerce de l'Industrie; Banque J. Allard et Cie.; Comptoir National d'Escompte de Paris; Credit Lyonnais; De Neuflize et Cie.; A. Gans et Cie. Madrid, Banco Aleman Transatlantico; Banco Hispano-Americano; Garcia-Calamarte y Cia.

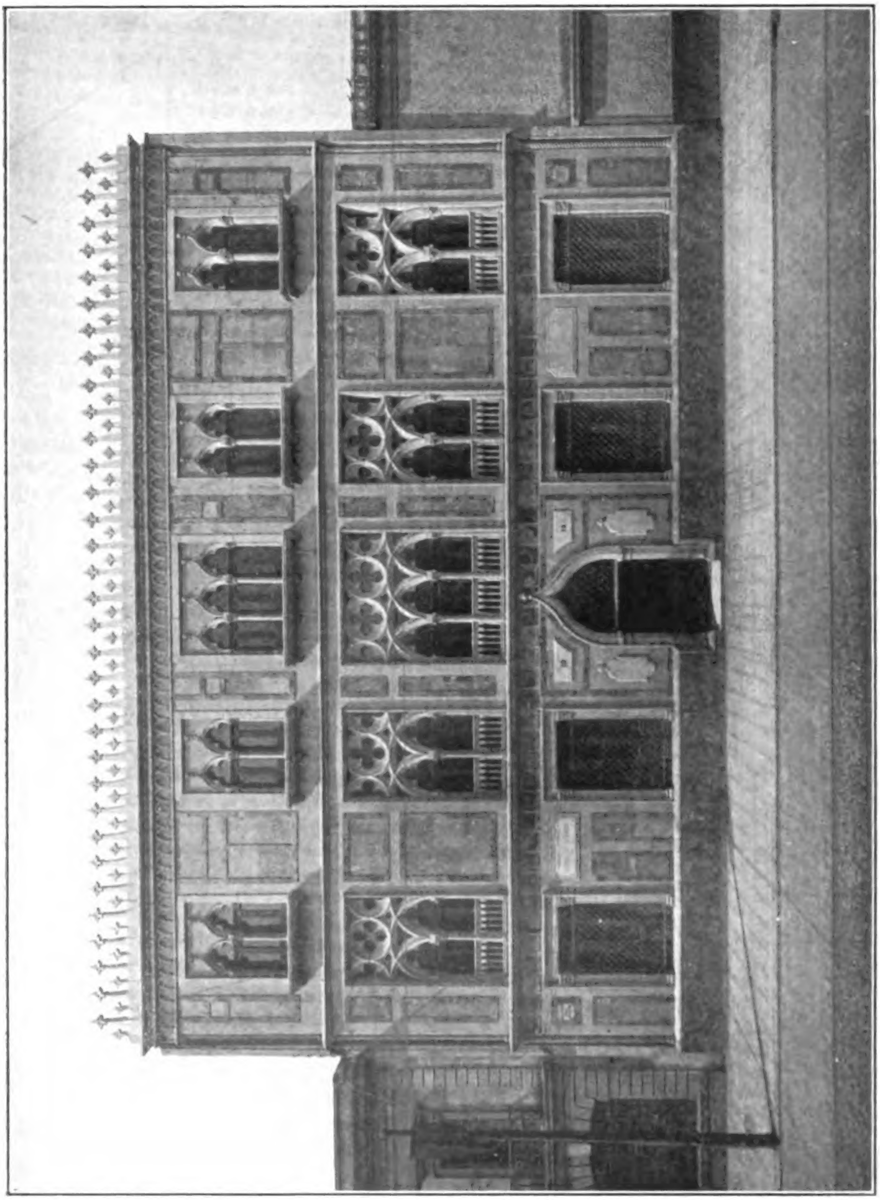
BANCO INTERNACIONAL e HIPOTECARIO.

THIS institution is the leading mortgage bank of Mexico and was founded in 1882, under a most ample and liberal charter from the Mexican Government. Its chief business is first mortgages on real estate, on which it can make loans of fifty per cent. on realizable value, for a term of twenty-five years, leaving mortgagee the right to pay off at any intervening time. These mortgages are paid off, capital and interest, by tri-monthly or quarterly instalments of two and one-quarter per cent.—equivalent to nine per cent. per annum, amortization included, property being entirely free at the end of the twenty-five-year period. For the non-payment of one single quarterly instalment the bank is privileged to put property up at auction and sell it to highest bidder, which is a very rare occurrence, as mortgagee through non-compliance risks losing his property for half its value.

At present the total realizable value of the properties mortgaged is estimated at $30,000,000.

Mortgage bonds earning six per cent. are issued by the bank, guaranteed by the first mortgages; interest payable semi-annually, three per cent. on January 1 and three per cent. on July 1. These bonds are looked upon as the most solid and safe investment in Mexico, being guaranteed by double their face value in realizable real estate. They are held largely in Europe as permanent investments.

Apart from its mortgage business throughout the Republic, the bank does a general banking business in all lines:



Banco Hipotecario de Credito Territorial Mexicano, S. A.

exchange, check and current accounts, deposits, collections, etc.

The bank has been managed since 1903 by Mr. Thomas P. Honey (Managing Director), assisted by Mr. J. V. Burgos (Sub-Manager).

The board of directors is composed of the following influential persons: Richard Honey (Chairman), Porfirio Diaz, Jr., Julio M. Limantour, Thomas P. Honey, Lawyer Emilio Pardo, Engineer Andres Aldasoro, Richard Honey, Jr., Hubert E. Brooke and J. V. Burgos.

The bank's building is situated at the corner of Cadena and Colegio de Ninas streets, in the heart of the business section of Mexico City. The building is composed of three stories: the ground floor is dedicated to the bank's offices, which are most handsomely finished in bronze and marble, and the safety vault department, for use of the general public; the second and third stories are public offices, and the eastern side of the building contains the Manager's residence. The building has all modern conveniences, and as can be seen by illustration, is of a pleasingly unique type of architecture.

Herewith is a copy of the balance-sheet of this institution for June 30, 1908:

ASSETS.

Shares unissued	$1,500,000.00
Discounts	258,200.43
Loans on securities	455,687.02
Loans on mortgages	13,577,196.50
Banking-house, furniture and fixtures	443,958.85
Accounts current, Dr.	2,461,839.91
Sight deposits	477,375.15
Cash	668,433.53
Sight exchange	2,204,179.75
Total	$22,046,871.14

LIABILITIES.

Capital	$5,000,000.00
Mortgage bonds	13,338,800.00
Deposits	1,095,102.97
Accounts current, Cr.	2,058,190.70
Reserve fund	500,000.00
Provision fund	54,777.47
Total	$22,046,871.14

This bank enjoys the reputation of being one of the most sound and conservative institutions of the Republic, and that it is fulfilling its mission is proved by its flourishing condition and steadily increasing business.

4

BANCO HIPOTECARIO DE CREDITO TERRITORIAL MEXICANO, S.A. (CREDIT FONCIER MEXICAIN).

THE importance which has lately been acquired by this institution through the increase of its capital to $5,000,000 and the floating of its bonds in Paris, gives to it a special present interest.

The Banco Hipotecario de Credito Territorial Mexicano, S. A., Credit Foncier Mexicain, was organized under the concession of May 3, 1900, which was granted to Messrs. Enrique C. Creel, Juan F. Brittingham, Antonio V. Hernandez, Carlos Bracho, Juan Terrazas, Jose Castellot, Cia. Banquera Anglo-Mexicana, Lic. Joaquin D. Casasus, Ramon Alcazar, Olegario Molina, Eduardo Meade and Luis Terrazas.

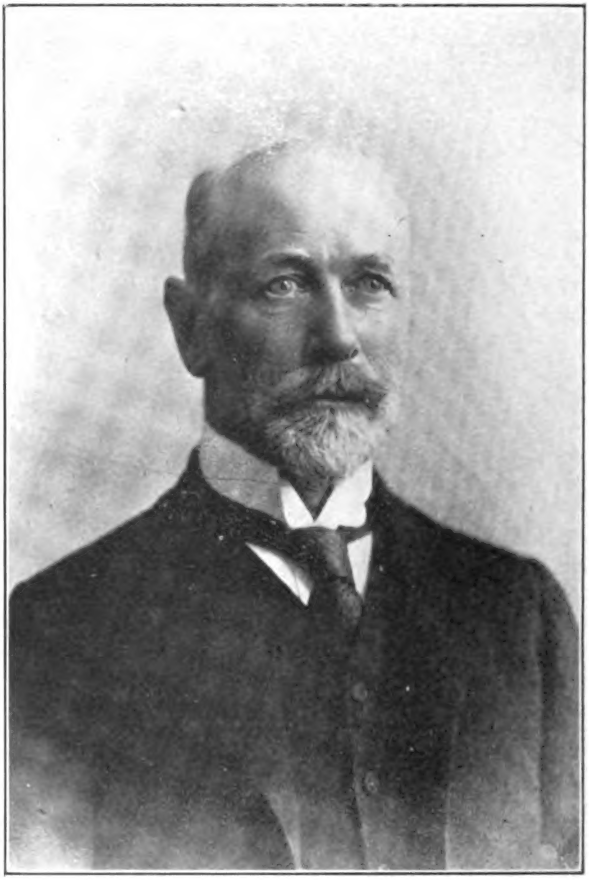
These gentlemen at once proceeded to organize a corporation to operate this bank, starting with a capital of $2,000,000, which was raised to $5,000,000 last year.

The bank was incorporated under the title of "Banco Agricola e Hipotecario de Mexico, S. A.", which was subsequently changed for the one it now bears, but without in any way altering either the objects or the nature of the institution.

The Banco Hipotecario de Credito Territorial Mexicano, S. A., was incorporated under the law of March 19, 1897, and the business which it carries on is almost entirely confined to mortgages. It has opened branches in the greater part of the states of the Republic, and therefore carries on business in those entities. New branches will be opened in those states of the Republic in which they do not already exist, as soon as the business openings in those states will warrant such a step.

The mortgage business which is done by this institution greatly benefits the development and progress of the country, because it fosters the agricultural interests which form one of the principal sources of wealth in the Mexican Republic.

The agriculturists consider that they derive great benefits from the loans made by the bank, because the interest is moderate and they are granted a term of twenty-five years within which cent. of the value of the mortgaged property, and makes advances on both city and rural properties, with the exception of lands which are not cultivated.



DONATO DE CHAPEAUROUGE

General Manager Banco Hipotecario de Credito Territorial Mexicano, S. A. Director: Banco Central Mexicano; Banco del Estado de Mexico; La Mexicana Life Insurance Co.; Agujitas Mining Co.

to pay off the principal, during which term they can make quarterly payments on account of both principal and interest.

The agriculturists can easily raise the amounts required to repay the loans out of the products of their lands, within a period that is extremely convenient to them.

How Loans Are Made.

The bank only lends on the security of a first mortgage, and up to fifty per

The loans on agricultural properties now amount to about two-thirds of the total aggregate of the money lent.

In the event of a debtor not paying his quarterly installments with due punctuality, the bank has the right, without the necessity of any other formality, to take possession of the mortgaged estate, or to appoint a receiver therefor, so as to proceed to a sale under the mortgage.

The procedure which the Banking Law provides for this purpose is ex-

ceptionally simple, and yet it is an extraordinary circumstance that only six of such foreclosure sales have been made since the bank was organized, and that these sales have been made with-

JACQUES J. LEMMENS
Assistant Manager Banco Hipotecario de Credito Territorial Mexicano, S. A.

out any loss whatever to the institution, clearly showing the very great care which is taken by the officers of the bank to protect its interests.

The Banking Law, above referred to, provides that an inspector, appointed by the Federal Government, shall overlook the conduct of the institution, in order that it may always comply with the provisions of that law.

Under the terms of this concession, the bank is authorized to issue mortgage bonds with a face value of $100, $500, and $1,000 each, which bonds legally represent the mortgages executed in favor of the bank. These bonds are redeemed by means of half-yearly drawings, within a period of twenty-five years, and the holders thereof enjoy special guarantees, as they are considered by the law as bearing the character of executive documents, which can be recovered by a summary and simple procedure.

The mortgage bonds enjoy special priority as regards their redemption, even over the shareholders, so that, if necessary, the share capital would preferentially be dedicated to the redemption of the bonds.

The rate of interest which the bonds

are to bear is determined by the board of directors of the bank.

The aggregate amount of the mortgage bonds must always be lower than that of the mortgages which serve as a basis for the bonds.

Under the concession the Banco Hipotecario de Credito Territorial Mexicano, S. A., is authorized to issue up to $100,000,000 in securities of this class.

Until within the last few years the bank has operated almost entirely with its own capital.

The fluctuations of international exchange for a long time prevented the floating of its bonds in foreign markets, but since the passing of the law which established the monetary reform in the Republic, the bank has floated in Europe (Holland and Switzerland) a large amount in six per cent. bonds without any fixed exchange. Since the beginning of 1908 it has issued five per

PASCUAL LUNA y PARRA
Secretary Banco Hipotecario de Credito Territorial Mexicano, S. A.

cent. mortgage bonds with a value of over $6,000,000.

By reason of this issue, a committee was organized in Paris which enjoys the right to veto any of the mortgage operations proposed by the bank when they amount to over $200,000, or other operations without mortgage, which amount to over $100,000.

Since the year 1900, when the company was incorporated, dividends have been distributed to the shareholders at

a steadily increasing rate, as may be seen from the table herewith:

	Capital.	Dividends.
1901......	$1,000,000	2½ per cent.
1902......	2,000,000	3½ per cent.
1903......	2,000,000	6 per cent.
1904......	2,000,000	6½ per cent.
1905......	2,000,000	7 per cent.
1906......	2,000,000	8 per cent.
1907......	5,000,000	8 per cent.

This shows that during the six years from 1901 to 1906 the profits have considerably increased.

If new issues of securities are to be continued in Europe, it is expected that the profits will also continue to increase, as is only natural from the antecedents of the company and its method of operating.

In order that a better idea may be formed of the importance of this bank, we here insert the last balance sheet for the year 1907, as well as that taken on the 31st of July last:

December 31, 1907.

ASSETS.

Cash	$160,378.30
Guaranteed loans	344,831.26
Mortgage loans	8,031,655.91
Stocks and bonds	416,938.65
Real estate, furniture and fixtures	300,000.00
Impersonal accounts, Dr.	1,174,126.72
Total	$10,477,930.84

LIABILITIES.

Capital	$5,000,000.00
Mortgage bonds	3,873,800.00
Reserve fund	47,972.34
Special guaranty fund	116,500.00
Impersonal accounts, Cr.	1,439,658.50
Total	$10,477,930.84

July 31, 1908.

ASSETS.

Cash	$424,819.51
Loans and investments	593,937.56
Loans on securities	341,178.88
Current accounts, Dr.	1,665,592.64
Bank building	300,000.00
Furniture and fixtures	3,027.20
Impersonal accounts, Dr.	1,180,555.69
Amount of next coupon of mortgage bonds	294,629.00
Mortgage loans, long time	11,703,002.50
Mortgage loans, short time	1,069,954.15
Total	$17,576,697.13

LIABILITIES.

Capital	$5,000,000.00
Reserve fund	79,084.38
Special reserve fund for next maturing coupons of mortgage bonds	294,916.00
Sight deposits with interest	187,074.01
Deposits, time	324,426.53
Mortgage bonds, six per cent.	3,844,800.00
Mortgage bonds, five per cent.	7,171,400.00
Impersonal accounts, Cr.	674,997.21
Total	$17,576,697.13

The board of directors is organized as follows:

Directors: Fernando Pimentel y Fagoaga, presidente; Ramon Alcazar, vice-presidente; Jose Castellot, Hugo Scherer (Sr.), Jose Gonzalez Misa, Jose A. Signoret y Alfonso Michel, Carlos Casasus, Antonio Hiibbe, Fernando Duret, Donato de Chapeaurouge, Jesus Salcido Aviles, Honorato Reynaud, y Juan Bautista Ebrard; Federico Kladt, Victor M. Garces, Dr. Manuel Gutierrez Zavala.

Officers: Donato de Chapeaurouge, General Manager; Jacques J. Lemmens, Manager; Lic. Pascual Luna y Parra, Secretary; Antonio Coca, Auditor; J. M. Calvo, Cashier; Lic. Joaquin D. Casasus, Consulting Attorney.

Paris Committee: Achille Adam, Joseph Aynard, Casimir Petit, Georges Rivaud, Jean Armand Cloetta.

COMPANIA BANCARIA DE OBRAS Y BIENES RAICES, S. A.

THIS company started doing business October, 1906, with a capital of $5,000,000, but in view of the growth of the country it was consid-

VICTOR M. GARCES

Manager Real Esta e Dept., Compania Bancaria de Obras y Bienes Raices.

New Building of the Compania Bancaria de Obras y Bienes Raices, S. A.

ered advisable to increase the capital stock, which is at present $10,600,000.

In April, 1907, a merger was effected with the late American Bank, Colonia Condesa and Nueva Colonia del Paseo, since which time business has been conducted on a rather large scale.

B. E. ALVAREZ
Stock Cashier Compania Bancaria de Obras y Bienes Raices.

For the purpose of successfully handling the different business of this company, it is divided into three departments, namely: Banking Department, conducting a general banking business; Real Estate Department, to deal in real estate, carry on constructions, etc.; Public Works Department, devoted to surveys, sewerage systems, paving, etc.

The directors of this company are of the best business men of Mexico. The President, Mr. Fernando Pimentel y Fagoaga, is connected with many large concerns in the Republic, representing banking, mines, real estate, agriculture, etc. He also is well known politically, being at the present time Mayor of the City of Mexico.

The First Vice-President is Mr. Pablo Macedo, one of the directors of the National Lines of Mexico, and a person of very high standing. The Second Vice-president is Luis Barroso Arias, of the firm of B. Roves & Cia.

The Manager of the Banking Department is Mr. Xavier Icaza Landa, who is well known in banking as in other kinds of business, and who for a long time was connected with the National Bank of Mexico as Manager of its branch in the city of Durango.

The Real Estate Department is

represented by its manager, Mr. Victor M. Garces, a recognized expert in real estate matters. He was the first man to introduce modern building ideas into Mexico and also initiated the plan of paying for houses by installments.

thus facilitating trade with various nations. Deposits have increased during the last year, notwithstanding the financial strain. The usual operations of banking are carried on—deposits, discounts, collections, etc. For the convenience of customers the bank un-

XAVIER ICAZA LANDA

Manager of the Banking Department Compania Bancaria de Obras y Bienes Raices.

Mr. Leandro F. Payro is the manager of the Public Works Department. He has been prominently identified with a number of important public works, the laying of asphalt pavements in the City of Mexico being especially worthy of mention.

The Banking Department.

This department maintains correspondents in every part of the world, dertakes the buying and selling of stocks, if solicited. The banking department was created to sustain and finance the other two departments.

Real Estate Department.

The principal business of this department is divided in two sections, one comprising the purchase and selling of city real estate, and the other of country property. Among the transactions

successfully carried out have been the purchase of Colonia Condesa, a large portion of which has been greatly improved; the Colony "Imparcial" has also been recently purchased.

This department undertakes the construction of buildings, although on a limited scale, owing to the small portion of the capital allotted to this business. The company also owns, in conjunction with other parties, an entire block, facing on the Paseo Reforma, one of the most beautiful residence streets of the Mexican capital. This will be divided into lots, and when the necessary improvements are made it will be placed on the market.

The branch of country real estate has acquired the property of various haciendas (ranchos), such as San Cristobal, hacienda La Purisima, Atequiza y Anexas, Villachato, and others, the cost of which represents several million pesos. These haciendas are being divided up into smaller holdings.

Public Works.

The branch of this company in charge of construction and public works has already completed a number of large contracts with the Federal Government and with the various State and municipal authorities in the Republic, the most important being the sewerage and paving systems of the City of Mexico, Puebla, Torreon, Durango, Guadalajara, etc. Other public works are in course of construction and new contracts are constantly being made.

This branch owns a large cement works at Dublan, on the line of the Mexican Central Railroad. It is claimed that the quality of the cement is as good as that manufactured by similar works in England and Germany, at a cost much below the imported cements.

The cement manufactured in the company's works is chiefly used in the paving of streets with asphalt. As the company has an agreement with the Trinidad and Ebano Asphalt companies to furnish asphalt at reduced prices, it is able to compete advantageously with other companies.

Some of the functions performed by the Compania Bancaria de Obras y Bienes Raices are not common to commercial banks in the United States, though the trust companies transact substantially the same kind of business. This company constitutes a very important part of the financial machinery of the country. Its capital is sufficient to enable it to carry on large operations with ease, while the management and banking affiliations give the company a high standing. An idea of its size may be obtained from the fact that the assets given in the balance sheet at the end of December last amounted to $28,682,812.86.

UNITED STATES BANKING COMPANY.

QUITE a winning combination is represented by the United States Banking Company, whose title suggests an American origin and whose composition is strongly Canadian.

H. J. MORDEN
Manager United States Banking Co., S. A.

GEORGE I. HAM
President United States Banking Co., S. A.

Though less than nine years old (having begun business January 9, 1900), it has grown in capital, deposits, profits and reserve (surplus), as shown by the table presented herewith:

These figures proclaim growth and also evidence a determination on the part of the management to keep strong.

George I. Ham, president of the United States Banking Company, prior

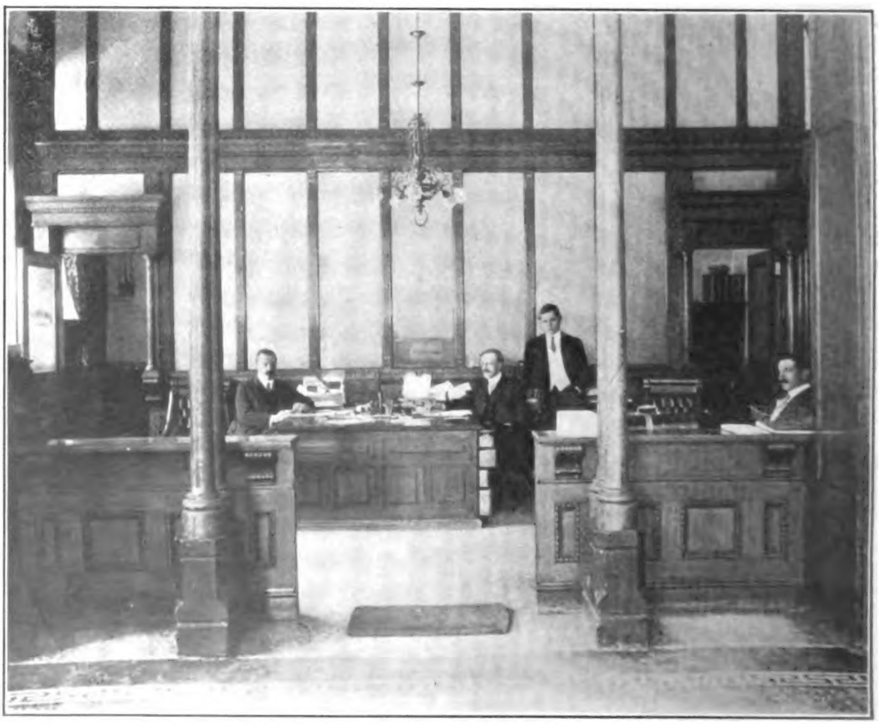
	Capital.	Reserve Fund.	Deposits.	Profits.	Dividend.	Reserve.	Carried Over.
Jan. 31, 1901........	$100,000.00	$18,000.00	$489,463.00	$18,987.00	....	$18,000.00	$987.00
Jan. 31, 1902........	100,000.00	35,000.00	1,501,696.00	41,000.00	$24,000.00	17,000.00	995.00
Dec. 31, 1902........	100,000.00	50,000.00	2,894,656.00	51,180.00	32,000.00	15,000.00	5,285.00
Dec. 31, 1903........	500,000.00	250,000.00	4.117,301.00	317,000.00	120,000.00	200,000.00	2,375.00
Dec. 31, 1904........	2,000,000.00	340,000.00	5,095,509.00	352,800.00	260,000.00	90,000.00	5,200.00
Dec. 31, 1905........	2.000,000.00	500,000.00	6,227,054.00	487,400.00	260,000.00	160,000.00	72,600.00
Dec. 31, 1906........	2.000,000.00	600,000.00	9,865,075.00	320,700.00	260,000.00	100,000.00	13,300.00
Dec. 31, 1907........	2.000,000.00	620,000.00	6,815.675.28	240,300.00	220,000.00	20,000.00	13,500.00

F. H. FISHER
Cashier United States Banking Co., S. A.

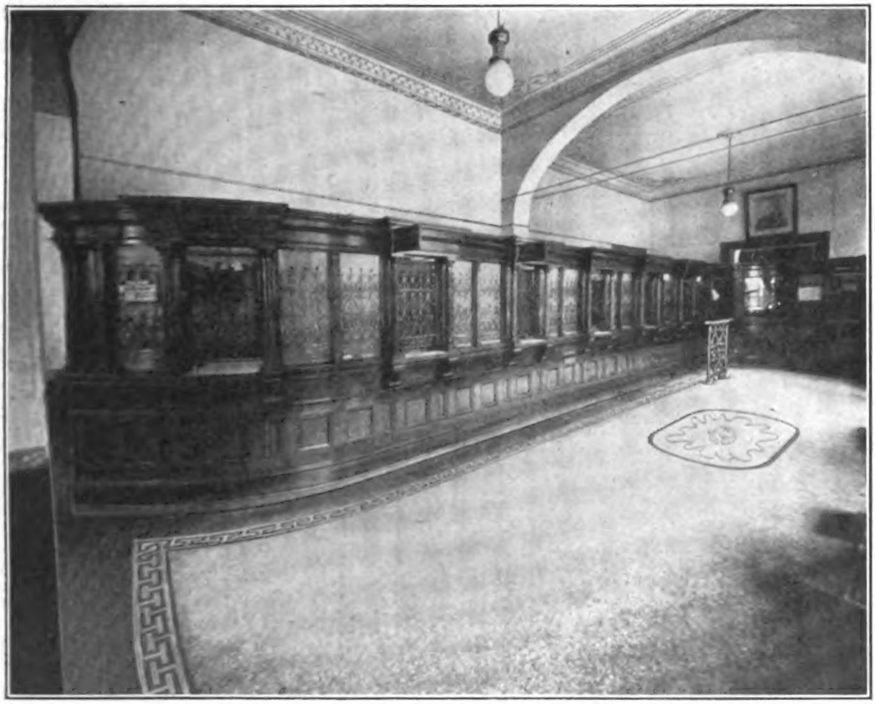
G. K. STEWART
Joint Manager United States Banking Co., S. A.

IRA BRISCO
Assistant to President U. S. Banking Co., S. A.

San Francisco Street and San Juan de Letran, City of Mexico.



Manager's Office
THE UNITED STATES BANKING COMPANY. S. A.



Banking Room
THE UNITED STATES BANKING COMPANY, S. A.

to going to Mexico was a Canadian railway man. He organized the bank in 1899, and was manager until January, 1904, when he became president. He is a man of large wealth. In addition to being president of the United States Banking Company, he is treasurer of the Mexican National Packing Co., an English concern, and is otherwise extensively interested in business enterprises.

Ira Brisco, assistant to the president, is a Canadian. He has been with the bank for five years.

Harold J. Morden, manager of the United States Banking Company, has had sixteen years' experience in banking in Canada and four and one-half years in Mexico. He was appointed manager in July, 1908.

Gordon K. Stewart, who became joint manager of the bank in July, 1908, was connected with banking in Brazil for twelve years, and with Mexican banking for four years.

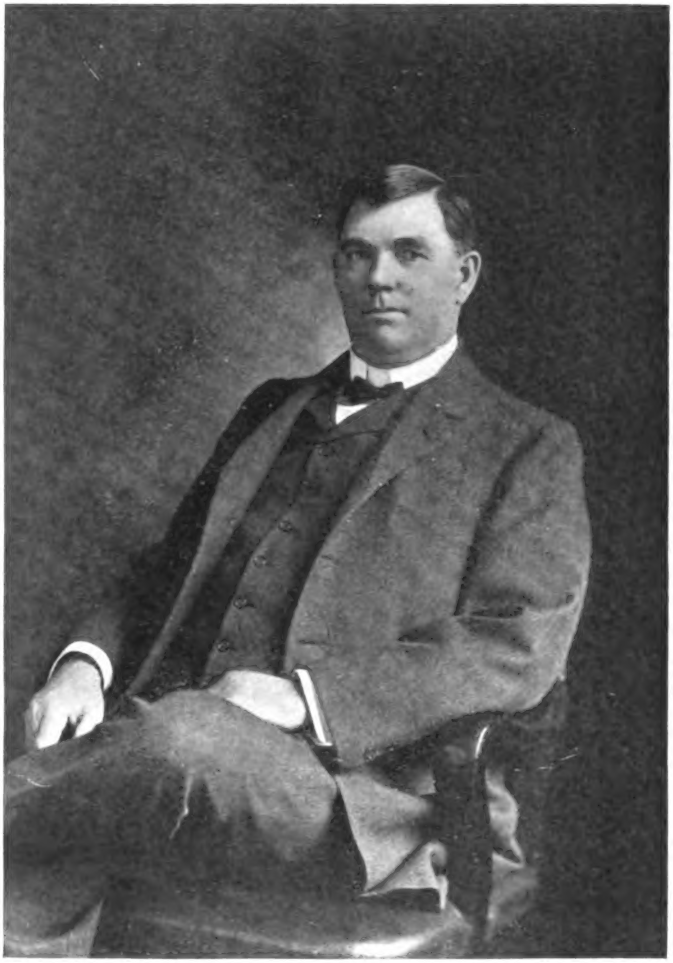
F. H. Fisher, cashier, and C. G. Cleall and M. Perez Romero, assistant cashiers, are experienced and capable bank men.

Among the correspondents of the United States Banking Company are the following well-known banks: Chase National Bank, New York; American Trust & Savings Bank, Chicago; St. Louis Union Trust Co., St. Louis, Mo.; American National Bank, San Francisco, Cal.; Royal Bank of Canada, Montreal, Canada, and Havana, Cuba; Martin's Bank, London, England; Credit Lyonnais, Paris and Madrid; John Berenberg, Gossler & Co., Hamburg, Germany.

Through other correspondents, the United States Banking Company has banking connections with all parts of the United States, Canada, Cuba, Mexico and Europe.

FEDERAL BANKING CO., S. A.

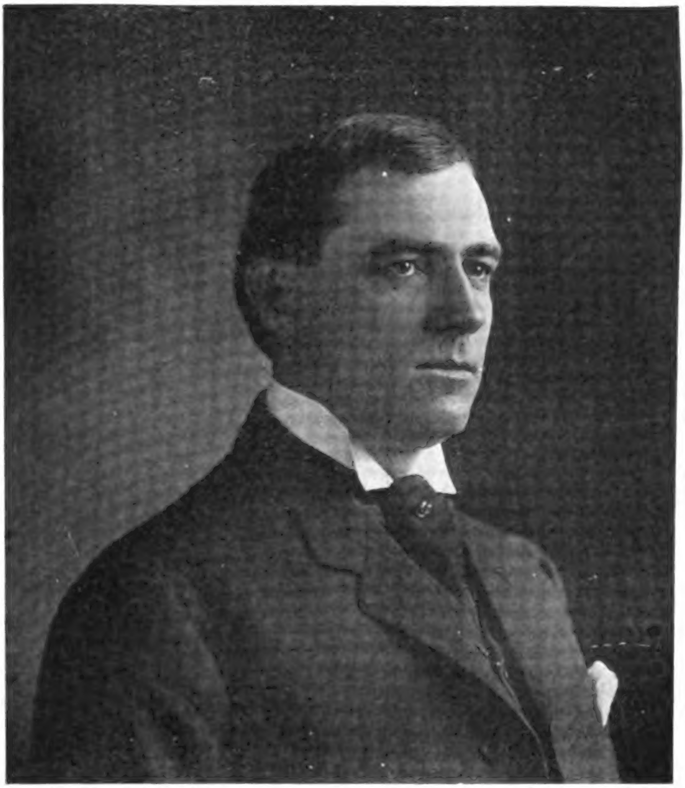
AMERICAN banking enterprise in Mexico received a fresh impetus in the organization of the Federal Banking Company, which took place on March 8, 1907. The bank was founded by T. R. Crump, who was also one of the founders of the United States Banking Company and president of that institution from 1902 to 1905, when he resigned and sold his interests.



T. R. CRUMP
President Federal Banking Company, S. A.

Mr. Crump is an American by birth, having been born at Louisville, Ky., in 1861. He has lived in Mexico since 1883, except for a period of two years passed in the United States. His long residence in Mexico and the prominent share he has taken in business enterprises there have given him a thorough knowledge of that country's commercial and industrial affairs. Besides being president of the bank, Mr. Crump is principal owner of the American Photo Supply Company, one of the large and prosperous business houses of the City of Mexico.

On account of his familiarity with



R. A. CRUMP
Auditor Federal Banking Company, S. A.

the country and his keen business sense. Mr. Crump's advice is frequently sought by American capitalists who desire to make investments in Mexico.

The Federal Banking Company began business April 4, 1907, with $250,000 capital. Although but little more than a year old at the date of the subjoined statement, and having to stand the ill effects of a depression in business, it will be seen that the bank has made considerable progress:

June 30, 1908.

ASSETS.

Cash on hand and due from banks	$228,013.62
Loans and discounts	311,847.98
Furniture and fixtures	13,639.48
Total	$553,501.08

LIABILITIES.

Capital	$250,000.00
Deposits	271,901.41
Undivided profits	31,599.67
Total	$553,501.08

The complete list of officers of the Federal Banking Company follows:

President, T. R. Crump; vice-presidents, J. H. Christen (president International Transfer Co.) and Louis J. Loubens (president Loubens Grocery Co.); manager, Wm. E. Powell; auditor, R. A. Crump.

Mr. Powell is the son of a Methodist missionary to Mexico, and was born in Texas, but has lived in Mexico since he was six years old. He was educated in Tennessee. His connnection with the Federal Banking Company dates from the company's organization, prior to which time he had been connected with the United States Banking Company from the date of its establishment.

R. A. Crump, auditor of the Federal Banking Company, is a brother of President Crump. Before entering the

bank he held an important position with the American Tobacco Company in the United States.

The directors of the Federal Banking Company are: T. R. Crump, J. H. Christen, Louis J. Loubens, Col. Felix Diaz, A. C. Smith, Louis Buon, Karl Cook, Harry Bennett, Oscar Ulfelder, J. H. Drake, F. Vogel, J. Kalb and Geo. H. Copeland.

The Federal Banking Company is a member of the American Bankers' Association, and numbers among its foreign correspondents the following well-known banks: New York, Liberty National Bank; Kansas City, Mo., Union National Bank; Paris, Comptoir National d'Escompte de Paris; London, Union Discount Company, Ltd.; Berlin, Dresdner Bank.

WM. E. POWELL
Manager Federal Banking Co., S. A.

MERCANTILE BANKING CO., LTD.

THIS bank was established in January, 1905, with $100,000 capital. The capital was increased to $250,000 in February, 1906, and to $500,000 in December, 1906, and it is expected during the next twelve months to increase to $1,000,000; thus indicating a rapid and substantial growth. Those who control this bank represent large interests in Mexico, particularly in the line of an important system of railway lines now under construction down the west coast, which when completed will rival any of the important trunk lines in the Republic, traversing a new section immensely rich in timber, minerals, tropical fruits and vegetation.

A. H. McKay, president of the bank, is a native of Cleveland, Ohio, and was formerly identified with important oil and other large interests in California. Epes Randolph, one of the vice-presidents, represents in Mexico one of the leading railway magnates of New York. George J. McCarty, vice-president, has represented for a number of years large mining interests controlled by eastern capital throughout the Republic, and is also connected with one of its leading shoe factories.

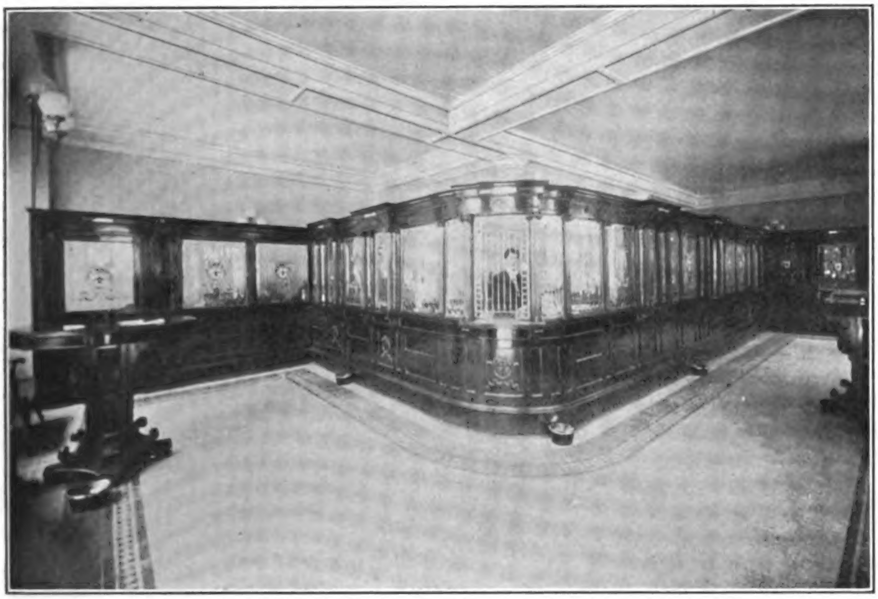
W. H. Webb, manager, who comes of New York stock, was formerly associated with large commercial and banking interests at Nashville, Tenn., and El Paso, Tex. H. C. Head, cashier, is an old Chicago boy, and has had many years' banking experience in Mexico. Alfredo E. Rodriguez, one of the directors, is a member of the Mexican Chamber of Deputies, and is largely interested in some of the richest producing mines in the Republic. W. O. Staples, and R. G. Kirkland, directors, are both successful business men of many years' residence in Mexico, the former being largely identified with railway and mining enterprises, and the latter with the lumber industry, controlling one of the largest lumber plants in Central Mexico.

Following is the complete personnel of the bank:

Directors: A. H. McKay, president; Epes Randolph and Geo. J. McCarty, vice-presidents; Alfredo E. Rodriguez, W. O. Staples, R. G. Kirkland, W. H. Webb, manager; H. C. Head, cashier; A. Horcasitas, auditor.

The bank, by gradually increasing its capital, has otherwise enlarged its fa-

cilities and added to its security. It has been prosperous, too, as for the year ending June 30, a dividend of ten per cent. was paid, still leaving $100,000 surplus and undivided profits. The deposits lately have ranged from $1,250,000 to $1,500,000. Following is a condensed semi-annual statement at the close of business June 30, 1908:



Mercantile Banking Co., Ltd. (Mexico City.)

RESOURCES.

Cash on hand and with city banks	$596,813.98
With foreign correspondents...	239,158.18
Loans and discounts	869,988.47
Overdrafts secured	26,862.74
Real estate	9,195.88
Furniture and fixtures	17,008.64
Bank building, lease and improvements	82,904.68
Total	$1,841,932.57

LIABILITIES.

Capital fully paid	500,000.00
Undivded profits	141,074.54
Deposits	1,200,858.03
Total	$1,841,932.57

Among the correspondents of the Mercantile Banking Company are: National Copper Bank and Hanover National Bank, and Messrs. Knauth, Nachod & Kuhne, New York; Continental National Bank, Chicago; Mechanics' American National, St. Louis; First National Bank, Kansas City, Mo.; Hibernia Bank and Trust Co., New Orleans; Wells Fargo-Nevada National, San Francisco; American National Bank, Los Angeles; First National Bank, Douglas, Ariz.; First National Bank and P. Sandoval & Co., Nogalez, Ariz.; Consolidated National Bank, Tucson, Ariz.; American Exchange National Bank, Dallas, Tex.; First National Bank, State National Bank, and Rio Grande Valley Bank and Trust Co., El Paso, Tex.; Lockwood National Bank, San Antonio, Tex.; First National Bank, Eagle Pass, Tex.; First State Bank and Trust Co., Laredo, Tex.; Parr's Bank, Ltd., London, and Russo-Chinese Bank, Hongkong.

Besides having connections throughout Continental Europe, it has over one hundred direct correspondents in the Mexican Republic with whom it is in daily touch by telegraph and otherwise, offering unsurpassed facilities for

EMAN L. BECK
President Mexico City Banking Co., S. A.

the transfer of funds by wire in any amount, to any accessible point in the Republic.

The Mercantile Bank is well located on San Francisco street, the principal thoroughfare of Mexico City, and has a handsome and well-equipped building. Recently the banking rooms have been redecorated and otherwise improved, and they are now exceptionally attractive, as may be seen from the accompanying illustration.

MEXICO CITY BANKING COMPANY, S. A.

THE Mexico City Banking Company was organized August 1, 1903, with $250,000 capital. Two years later the capital was raised to $400,000, and on May 27, 1908, a further increase to $800,000 took place, the surplus also being added to until the total of this item was $200,000. There is, furthermore, $17,417 in the undivided profits fund.

The Mexico City Banking Company's capital and surplus therefore exceed one million dollars.

From the time the bank was started, until 1906, deposits grew steadily, and in the year named they took a sudden spurt, increasing from $1,100,000 to $2,200,000. Although of late there has been some reduction in the volume of Mexican bank deposits generally, the Mexico City Banking Company's deposits are now $2,328,597, or slightly larger than they were in 1906.

A. G. FROST
Cashier Mexico City Banking Co., S. A.

While the bank has been profitable to its shareholders, having paid out over $100,000 in dividends, it is the policy of the management to safeguard the interests of both shareholders and depositors by maintaining a strong surplus fund, the amount now being one-fourth of the capital.

JOHN CLAUSEN
Manager Foreign Department Mexico City Banking Co., S. A.

The annexed statement shows the condition of the Mexico City Banking Company on a recent date:

CONDENSED STATEMENT AT CLOSE OF BUSINESS JUNE 30, 1908.

RESOURCES.

Cash in Mexico City	$ 993,341.61
Due from correspondents	541,093.69
Bonds and stock	78,175.82
Real estate and investments	62,447.90
Loans and discounts	1,283,165.93
Overdrafts	64,234.98
Furniture, fixtures and lease	25,846.00
Uncalled capital	300,000.00
Total	$3,348,305.93

LIABILITIES.

Capital	$ 800,000.00
Surplus	200,000.00
Undivided profits	17,417.23
Unpaid dividend	2,290.86
Deposits	2,328,597.85
Total	$3,348,305.93

Following are the officers: Eman L. Beck, president; W. T. Bell, vice-president; F. J. Dunkerley, manager; A. G. Frost, cashier; J. A. Hendry, secretary; H. E. Albright, comisario; John Clausen, foreign department manager.

President Eman L. Beck went to Mexico ten years ago from Indianapolis, Ind. His management of the bank has added to its business and to its strength while paying good dividends.

F. J. Dunkerley, manager of the bank, is a native of Dixon, Ala. He was connected with banking in Texas for nine years, and has been in Mexico for ten years.

Mr. Dunkerley is familiar with the Mexican banking system, and his address before the last annual convention of the Texas State Bankers' Association was a concise but comprehensive presentation of the main features of the system.

A. G. Frost, cashier, was born at Galesburg, Ill., and has been in Mexico about twelve years, his service with the bank having begun some three years since.

Building Occupied by Mexico City Banking Co., S. A.

Lobby Mexico City Banking Co., S. A.

An important part of the bank's business is conducted through the foreign exchange department, under the direction of John Clausen, manager of the department.

Herewith is given a list of the directors, together with their respective business affiliations:

Directors: Carl Heynen, manager Agencia Comercial y Maritima; J. A.

Hendry, treasurer Mexican Central Railway; J. C. Caskey, president Veracruz Banking Company, S. A.; W. T. Bell, Bell & Semmes, contractors; Burton W. Wilson, Wilson & Gonzalez Garza, attorneys; George W. Bryant, capitalist, Guanajuato; Eman L. Beck, president; C. R. Hudson, vice-president Mexican Central Railway; Paul Hudson, general manager Mexican Herald, Ltd.; R. W. Jones, Jr., capitalist, New York; J. C. Strittmatter, merchant; A. Weill, capitalist; K. M. Van Zandt, Jr., president Mexican Steel Products and Machinery Co., S. A.; F. J. Dunkerley, manager.

Office of President, Manager and Manager Foreign Department.

Directors' Room

MEXICO CITY BANKING CO., S. A.

That the Mexico City Banking Company does an active business appears

F. J. DUNKERLEY
Manager Mexico City Banking Co., S. A.

from the fact that the monthly cash movement runs from $25,000,000 to $30,000,000.

The Mexico City Banking Company belongs to the American Bankers' Association, the Texas Bankers' Association, and the Mexico City Clearing-House Association. Its correspondents embrace many large and well-known banks throughout the United States, as well as in Mexico, London, Berlin, Hamburg, Vienna, Paris, Madrid, Havana, Hongkong, Yokohama and Kobe.

INTERNATIONAL BANKING CORPORATION.—MEXICO BRANCH.

THIS institution opened for business in Mexico on January 26, 1903, at Coliseo Nuevo No. 4.

It is a branch of the well-known New York corporation of the same name, with head office at 60 Wall street, which was organized in 1902, under the laws of the State of Connecticut by charter especially designed to facilitate the transaction of interstate and international business. Its capital and surplus amount to $6,500,000, United States gold.

The president of the corporation is General Thomas H. Hubbard, of New York, and its board of directors is composed of the following gentlemen, several of whom, as it happens, have large financial interests in Mexico:

Sir H. Montagu Allan, Jules S. Bache, Clarence Cary, George Crocker, Marcellus Hartley Dodge, Haley Fiske, Edward H. Harriman, John R. Hegeman, William G. Henshaw, Erskine Hewitt, John Hubbard, Henry

E. Huntington, John J. McCook, Thomas H. Hubbard, president; Henry P. McIntosh, George H. Macy, Pierre Mali, Henry S. Manning, Paul Morton, Allan W. Paige, Henry Clay Pierce, William A. Read, George H. Russel, William Salomon, Herman Sieelcken, William H. Taylor, Sir William C. Van Horn, James S. Fearon, vice-president.

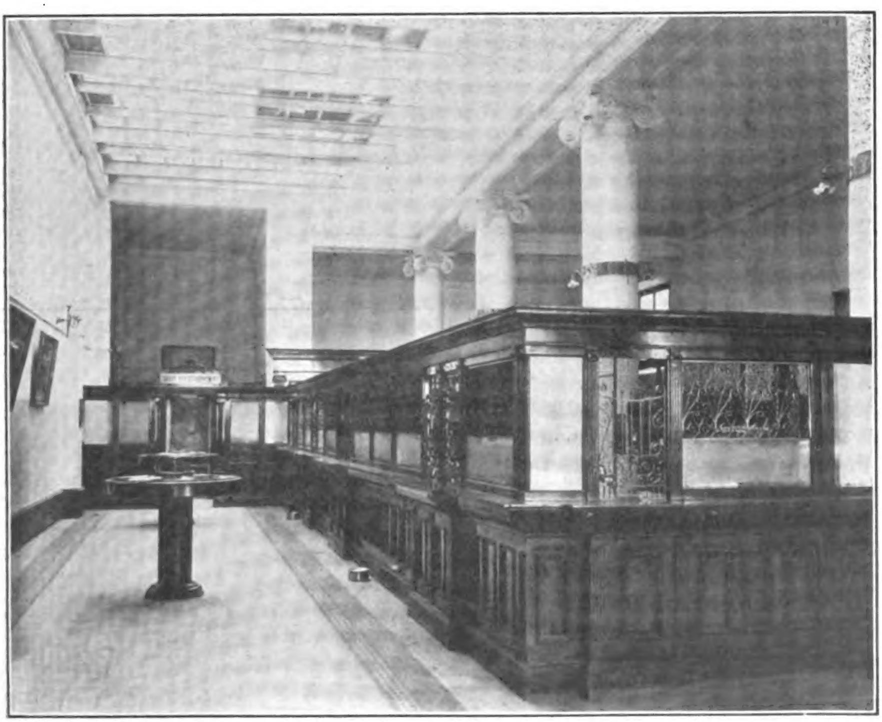
The International Banking Corporation was primarily organized for the purpose of caring for the interests of American merchants in foreign countries, and in this connection has been able to develop exceptional facilities for exchange business, collections, and other banking business of a similar nature which naturally come within its special scope. Pursuant to the policy outlined at its inception, it has established branches in all parts of the world and is now operating the following: London, Bombay, Calcutta, Hongkong, Canton, Manila, Cebu, Shanghai, Yokohama, Kobe, San Francisco, Washington, Panama, Colon and City of Mexico.

The Mexico Branch soon found its first location inadequate for the demand of its increasing business, and in 1906 fitted up and occupied its present commodious quarters in Calle del Espiritu Santo Numero 2. Its situation, close to the district occupied by the principal Mexican banks, is particularly well suited to the class of exchange business to which the corporation devotes its special attention, and which has been one of the principal factors of its work in Mexico.

The Mexico City branch of the International Banking Corporation is under the management of H. H. Hanson.

BANK OF MONTREAL.

CANADIAN interests are largely represented in Mexico, and in the early part of 1906 the Bank of Montreal looked over the field there, with a view to establishing a branch.



Banking Room, International Banking Corporation.

On May 6 of that year the branch was opened in commodious and well-equipped quarters in the Mutual Life Insurance Building, a handsome structure well located on the Avenida del Cinco de Mayo, one of the leading business streets of the Mexican capital.

The Mexico City branch of the Bank of Montreal was placed in charge of T. S. C. Saunders, who for three years previous had been inspector of the eastern branches of the bank in Canada. Under his direction the Mexico City branch has proved successful, and in the commercial community of that city the bank has maintained the high reputation for conservative banking which it has earned throughout its long career in Canada.

In point of age, capital and strength the Bank of Montreal occupies a position well to the front among the banks of the North American Continent. A brief sketch of its history will therefore be found of interest.

The Bank of Montreal opened for business on Monday, November 3, 1817, in premises in a building belonging to the Armour estate, situated on St. Paul street, between St. Nicholas and St. Francois Xavier streets, with a paid-up capital of $350,000.

The first president was John Gray, and the first cashier was Robert Griffin.

In the year 1819 the capital was increased to $650,000, and in the following year to $750,000. In 1829 the capital was $850,000; in 1841, $2,000,000; in 1845, $3,000,000; in 1855, $4,000,000; in 1860, $6,000,000; in 1873, $12,000,000; in 1903, $14,000,000; in 1905, $14,400,000.

In the first full year (1819) of the bank's operation, a dividend was paid at the rate of eight per cent. per annum, and since then (with the exception of the years 1827 and 1828, when the bank did not pay any dividend), the annual dividends have ranged from six per cent. to sixteen per cent. (or, say, a dividend of twelve per cent. with a bonus of four per cent.), according to

MUTUAL LIFE INSURANCE COMPANY OF NEW YORK.

The new building, Avenida del Cinco de Mayo, City of Mexico. The handsome offices shown in the foreground of the illustration are occupied by the Mexico City Branch of the Bank of Montreal.

the earnings. But of late years ten per cent. per annum has been the rate paid.

After eight per cent. had been paid as dividend in 1819, a balance of $4,168 remained on hand, and was laid aside as a rest. From that date of small beginnings the rest has steadily grown. In 1825 it was $30,780, going down to $12,064 in the following year, and then up again to $107,084 two years later; in 1830 it stood at $31,360.

General Statement, April 30, 1908.

LIABILITIES.

Capital stock		....	$ 14,400,000.00
Rest		$11,000,000.00	
Balance of profits carried forward		903,530.20	
		$11,903,530.20	
Unclaimed dividends		1,695.51	
Quarterly dividend, payable June 1, 1908		360,000.00	12,265,225.71
			26,665,225.71
Notes of the bank in circulation		$10,492,869.00	
Deposits not bearing interest		34,458,972.16	
Deposits bearing interest		95,638,566.65	
Balances due to other banks in Canada		101,966.53	
			140,692,374.34
Total			$167,357,600.05

ASSETS.

Gold and silver coin current		$ 5,111,548.47	
Government demand notes		6,638,021.75	
Deposit with Dominion Government required by act of Parliament for security of general bank-note circulation		550,000.00	
Due by agencies of this bank and other banks in Great Britain	$ 1,518,466.50		
Due by agencies of this bank and other banks in foreign countries	3,608,398.24		
Call and short loans in Great Britain and United States	31,879,038.00		
		37,005,902.74	
Dominion and Provincial Government securities		1,100,147.76	
Railway and other bonds, debentures and stocks		9,181,757.38	
Notes and checks of other banks		3,577,844.19	
			$63,165,222.29
Bank premises at Montreal and branches			600,000.00
Current loans and discounts in Canada and elsewhere (rebate interest reserved) and other assets		$103,341,935.55	
Debts secured by mortgage or otherwise		152,746.46	
Overdue debts not specially secured (loss provided for)		97,695.75	
			103,592,377.76
Total			$167,357,600.05

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE HALF-YEAR ENDED APRIL 30, 1908.

Balance of profit and loss account, October 31, 1907		$ 699,969.88
Profits for the half-year ended April 30, 1908, after deducting charges of management, and making full provision for all bad and doubtful debts..		923,560.32
		$1,623,530.20
Quarterly dividend 2½ per cent. paid March 1, 1908	$360,000.00	
Quarterly dividend 2½ per cent. payable June 1, 1908	360,000.00	
		$720,000.00
Balance of profit and loss carried forward		903,530.20

Market price of Bank of Montreal stock, April 30, 1908, 238 per cent.

Five years later it stood at $80,660, reaching $197,828 in 1837; in 1840 it showed $89,480; in 1850, $120,192; in 1860, $740,000; in 1870, $3,000,000; in 1880, $5,000,000; in 1883, $5,750,000; in 1884, $6,000,000; in 1900, $7,000,000; and now it stands at $11,000,000, and there are additional undivided profits amounting to $801,855.

On January 1, 1858, the system of decimal currency was adopted in the Bank of Montreal, and since that date all monetary transactions have been recorded in the bank's books in dollars and cents. Previous to that date, the bank's books were kept in what was styled Halifax currency—pounds, shillings and pence.

On January 1, 1858, the Montreal Branch was established as a distinct and separate business from the head office, Mr. E. H. King being appointed as its first Manager.

In the year 1862, the designation of the chief officer of the bank was changed from Cashier to that of General Manager. Mr. David Davidson was the first General Manager.

In 1863 the Bank of Montreal was appointed banker in Canada for the Canadian Government, and on January 1, 1893, Mr. E. S. Clouston being General Manager at the time, the bank became the Government's Financial Agent in Great Britain also.

The annexed figures, taken from the balance sheet of April 30, 1908, indicate the position of the bank on that date.

The Bank of Montreal maintains branches in all the principal cities and towns in Canada, and also has offices or branches in the United States, Great Britain and Mexico.

Officers of the bank are: Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., Honorary President; Hon. Sir George A. Drummond, K.C.M.G., President; E. S. Clouston, Esq., Vice-President and General Manager.

The other directors are: A. T. Paterson, Esq.; E. B. Greenshields, Esq.; Sir William C. MacDonald; R. B. Angus, Esq.; James Ross, Esq.; Hon. Robt. Mackay; Sir T. G. Shaughnessey, K.C.V.O.; D. Maurice, Esq.

HOW TO SAVE?

A BANKER says: "I know from practical experience that it is hard to save, but it can be done, and the only way to do it is to keep a written account of your income and your expenditures. The man with a salary of $100 a month can save more by keeping accounts, than the man who has $200 a month and who does not know how he spends his money. The boy getting a salary of $10 a week can profitably keep accounts; a cash book if no more. The business man who would attempt to run his business without books would be doomed to rapid failure. The same is true of the salaried man; failure, in this case, meaning failure to save. If at the end of the year the salaried man has nothing saved, his year has been a failure—he has made no 'profits' on his business."—*Finance.*

FRENCH HOARDERS OF GOLD.

IN a recent interview Senator Daniel of the Monetary Commission, is reported as saying:

> The bankers of Paris gave us one bit of information which was something of a surprise to us, that is that at least four hundred millions of dollars in gold is hoarded by the people of France that is not deposited in banks.

CLEVER NOAH.

Brown—"I say, Jones, can you tell me who was the greatest financier that ever lived?"

Jones—"No, I can't."

Brown—"Well, it was Noah."

Jones—"How do you make that out?"

Brown—"Well, Noah was able to float a company when the whole world was in liquidation. See?"—*Philippine's Gossip.*

OVERCAUTIOUS.

Captain Kidd, the pirate, was burying his treasure.

"I could lock it up in a safety deposit vault, of course," he said, "but I want to put the stuff where the personal property assessor will never hear of it."

So well did he do the job in fact, that it hasn't been turned up, even yet.—*Chicago Tribune.*

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

BILL OF EXCHANGE—ACCEPTANCE—CONSIDERATION.

NATIONAL PARK BANK vs. PHILLIP S. SARTA.

NEW YORK, SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT, JULY, 1908.

Section 221 of the Negotiable Instruments Law, providing that the holder of a bill presenting it for acceptance may require the acceptance to be written on the bill and if the request is refused may treat the bill as dishonored, applies not only to sight bills, but to bills payable a certain time after date, and as to the latter, although the date of payment is fixed, the holder, upon the drawee's refusal to accept in advance of maturity, may treat the bill as dishonored and proceed at once against the other parties.

Although a bill payable at a fixed date need not be presented for acceptance in order to charge the drawer or endorsers, it is to the owner's interest that it should be accepted, and the step is one which a prudent man, ordinarily careful of his own interests, would take for his protection.

As between remote parties to a bill of exchange, as the payee or endorsee and the acceptor, the defense of no consideration involves both the consideration which the defendant received for his liability and that which the plaintiff gave for his title, and unless there be an absence or failure of both these considerations the action will not fail.

As to the defense of want of consideration, it is immaterial when an acceptance of a bill of exchange is made. The instrument is negotiable before acceptance and the acceptance is an acknowledgement of the debt and an absolute promise to pay it to the person who is or shall become the holder of the bill, and the rights of such holder are the same whether they were acquired in anticipation of acceptance or subsequent to it. An additional consideration, proceeding from one who is a bona fide holder to the drawee, is not essential to the right of such bona fide holder to recover upon the drawee's acceptance.

A bill of exchange drawn by M. on S. payable 60 days after date was purchased by a bank for full value, before maturity and before acceptance. It was subsequently accepted by S. before maturity. In an action by the bank against S. upon this acceptance, in which S. claimed that he had received no consideration for his acceptance: Held, that as the plaintiff was conceded to be a bona fide holder of the bill for value, this defense must fail.

CLARKE, J.: The complaint alleges that on or about Aug. 1, 1905, at the City of New York, one Mauro drew his draft or bill of exchange directed to the defendant at Genoa, Italy, and thereby required to the defendant to pay to the order of said Mauro 13,750 lire sixty days after the date of said bill of exchange; that thereafter, on or about Aug. 29, 1905, the defendant accepted the said bill of exchange; that thereafter, before maturity the said Mauro duly indorsed

and delivered the same, and before maturity the said draft came into the possession of said plaintiff for value, and the plaintiff still is the owner and holder thereof; that said bill of exchange was duly presented to the defendant, payment thereof was duly demanded, but was refused, and no part has been paid. Wherefore plaintiff demands judgment for $2,581.25.

The answer alleges that on or about Aug. 1, 1905, at the City of New York, one Mauro drew his certain bill of exchange in writing dated on that day, directed to this defendant at Genoa, Italy, and thereby requested this defendant to pay to the order of Mauro the sum of 13,750 lire sixty days after date of said bill of exchange; that thereupon said bill of exchange was presented to the plaintiff for discount, and annexed to said bill of exchange were the documents or bills of lading for certain goods, wares and merchandise, which were to be delivered to this defendant upon acceptance of said bill of exchange; that thereupon plaintiff took into its possession and retained in its possession until the time hereinafter mentioned the said bill of exchange, together with said bills of lading, and on the security of such delivery of such documents plaintiff discounted said bill of exchange and paid to said Mauro the sum of $2,641.06, which was equivalent to the amount of said draft, less interest, commissions and charges of said plaintiff for discounting the same bill of exchange; that at said time it was agreed and understood between the plaintiff and this defendant that upon defendant's acceptance of said draft the plaintiff would deliver, or cause to be delivered, to defendant the bills of lading so delivered to the plaintiff at said time; that on or about Aug. 22, 1905, this defendant did accept said bill of exchange, and requested of the Banca Commerciale, the agent or representative of the plaintiff at Genoa, the bills of lading for said goods, wares and merchandise; that after such acceptance of said bill, said Banca Commerciale refused to deliver to this defendant said bills of lading; that the plaintiff, or its agent aforesaid, failed and refused to deliver to this defendant the documents of bills of lading for the goods, wares and merchandise, in consideration for the delivery of which, which delivery was to be made at the time of acceptance of said bill of exchange, this defendant accepted said bill of exchange and in consequence thereof there was an entire failure of consideration for the acceptance by this defendant of said bill of exchange, and no consideration ever passed to this defendant, either from said Mauro, the drawer of said bill of exchange, or from the plaintiff herein, who discounted said bill of exchange prior to its acceptance by this defendant as aforesaid.

It will be seen that by his pleading the defendant admits the making of the bill of exchange drawn upon him, its delivery to and discount by the plaintiff for value, its presentation to him before maturity, and acceptance by him, and that the defense set up is want of consideration flowing to him for that acceptance.

The defendant attempted to establish that at the time of the discount of the bill the plaintiff agreed that the bills of lading attached should be delivered to him upon acceptance of the bill of exchange. Testimony controverting this was introduced by the plaintiff. This question was submitted to the jury, who found in favor of the plaintiff.

The defendant also attempted to establish that he had accepted the draft in reliance upon the promise that the bills of lading would be delivered upon such acceptance, and that at the time of acceptance he informed the plaintiff's agent that he was only accepting the draft on the understanding that the bills of lading would be delivered to him. This testimony was also controverted by testimony for the plaintiff. Although the answer did not squarely present that defense, the court charged: "That if you find that at the time the

defendant wrote his acceptance across the face of the draft, he demanded that the plaintiff's agent deliver to him the bill of lading accompanying the same, and that he informed the plaintiff's agent at such time that he was only accepting the draft on the understanding that such bill of lading would be delivered to him, and then and there demanded that his said acceptance be stricken from the said draft unless the said bill of lading should be delivered to him, and that the plaintiff and its agent refused to deliver the said bill of lading and refused to strike said acceptance from said draft, you may find that the writing of the word 'accepted' across the face of said draft, followed by the signature of the defendant, was not intended to be, and was not in fact, an acceptance of said draft, and you may treat the same as if it had not been written by the defendant, and may find a verdict for the defendant." This was a far more favorable charge than the defendant was entitled to upon his pleadings. The jury resolved this question in favor of the plaintiff.

So that both of the foregoing questions, upon which the evidence was conflicting, were submitted to the jury in a charge favorable to the defendant, and having been found against him by the jury we cannot say that the finding was contrary to the evidence or against the weight thereof.

The final point to be considered is the defense of failure of consideration. The Negotiable Instruments Law, chapter 612 of the Laws of 1897, provides, in section 50: "Every negotiable instrument is deemed prima facie to have been issued for a valuable consideration, and every person whose signature appears thereon to have become a party thereto for value." When this defendant accepted this bill he therefore was presumed to have accepted it for a valuable consideration. Section 221 provides: "That the holder of a bill, presenting the same for acceptance, may require that the acceptance be written on the bill, and if such request is refused may treat the bill as dishonored." This provision is not confined to sight bills, but seems to be applicable to all bills of exchange. Consequently, if the bank in Genoa had presented the bill to the defendant for acceptance, although the date of payment was fixed, and the drawee had refused to accept it, the plaintiff would have been entitled to treat the bill as dishonored, and would have acquired the immediate right to call on the other parties to the bill.

Section 246 of the act provides: "A bill is dishonored by non-acceptance when it is duly presented for acceptance, and such an acceptance as is prescribed by this act is refused or cannot be obtained." Section 247: "Where a bill is duly presented for acceptance and is not accepted within the prescribed time the person presenting it must treat the bill as dishonored by non-acceptance or he loses the right of recourse against the drawer and indorsers." Section 248: "When a bill is dishonored by non-acceptance an immediate right of recourse against the drawers and indorsers accrues to the holder, and no presentment for payment is necessary."

"Although when such a bill is made payable at a day certain at a fixed time after its date, presentment for acceptance before that time is not necessary in order to charge the drawer or indorsers, it is to the owner's interest that the bill should be so accepted, as only by accepting it does the drawee become bound to pay it, and until such acceptance the owner has for his debtor only the drawer, and the step is one which a prudent man of business, ordinarily careful of his own interests, would take for his protection" (Allen vs. Suydam, 17 Wend., 368). "A bill payable at a fixed period from its date may be presented for acceptance at any time" (Bachellor vs. Priest, 12 Pick., 399: Oxford Bank vs. Davis, 4 Cush., 188).

It is settled that as between remote parties to a bill of exchange, as the payee or indorsee and the acceptor, in order to sustain the defense of no con-

sideration two considerations at least must come in question, first, that which the defendant received for his liability; and, secondly, that which the plaintiff gave for his title. "An action between remote parties will not fail unless there be absence or failure of both of these considerations. It is immaterial when an acceptance is made. It may be made at any time, and the rights of payees and the indorsees are the same after it is made, whether they were acquired in anticipation of it or subsequent to it. Where, as in the case at bar, there is an acceptance upon the bill it makes no difference in the rights of the payees or indorsees whether they became so before or after the acceptance. The instrument is negotiable before acceptance, and the acceptance is an acknowledgement of the debt it represents and absolute promise to pay it to the person who is or shall become the holder of the bill; and to allow a want of consideration for the acceptance to defeat the right of a bona fide holder, whether he became such before or after the acceptance, would be contrary to the nature and purpose of bills of exchange and to the uniform usage in regard to them" (Arpin vs. Ownes, 140 Mass., 144; Daniels on Negotiable Instruments, 5th ed., 174a).

In Heuertematte et al. vs. Morris (101 N. Y., 63) the action was brought upon defendant's acceptance upon a bill of exchange drawn upon him at ninety days. Defendant offered to show that the acceptance was made without consideration and was induced by fraudulent representations on the part of the drawer. This was objected to and excluded. Ruger, Ch.J., said: "If a party becomes a bona fide holder for value of a bill before its acceptance it is not essential to his right to enforce it against a subsequent acceptor that an additional consideration should proceed from him to the drawee. The bill itself implies a representation by the drawer that the drawee is already in receipt of funds to pay, and his contract is that the drawee shall accept and pay according to the terms of the draft. * * * By such acceptance the drawee admits the truth of the representation, and having obtained a suspension of the holder's remedies against the drawer, and an extension of credit by his admission, is not afterward at liberty to controvert the fact as against a bona fide holder for value of the bill. The payment to the drawer of the purchase price furnishes a good consideration for the acceptance which he then undertakes shall be made, and its subsequent performance by the drawee is only the fulfillment of the contract which the drawer represents he is authorized by the drawee to make. The rule that it is not competent for an acceptor to allege as a defense to an action on a bill that it was done without consideration or for accommodation, as against a bona fide holder for value of such paper, flows logically from the conclusive force given to his admission of funds and is elementary."

As it is conceded that the plaintiff was the bona fide holder for value of the bill in question, the foregoing statutory provisions and authorities conclusively establish that the defendant failed in his defense of want of consideration flowing to him for his acceptance.

As we have discovered no error in this record which requires interference with the judgment, the judgment and order appealed from should be affirmed, with costs to the respondent.

All concur.

PROMISSORY NOTE—CONSENT TO EXTENSION.

FIRST NATIONAL BANK OF POMEROY, IOWA, vs. BUTTERY.

SUPREME COURT OF NORTH DAKOTA, FEB. 11, 1908.

Under the Negotiable Instruments Law a promissory note, which by its terms is payable on or before a day named therein, is negotiable, notwithstanding it contains a provision that the maker and indorsers thereof severally waive presentment of payment and notice of dishonor and consent that the time of payment may be extended without notice.

SPALDING, J.: This is an action on a promissory note. The note was sued on by the indorsee for value before maturity, and the court found that there was a failure of consideration, and that the contract was not a negotiable note, and entered judgment for the dismissal of the action. Only one question requires consideration. If the instrument in question is a negotiable promissory note, the judgment should be reversed; otherwise, it should be affirmed.

The note was made in this state, and is payable at Sioux City, Iowa, and the clause which the trial court held rendered it non-negotiable reads: "The makers and indorsers herein, severally waive presentment of payment and notice of protest, and consent that the time of payment may be extended without notice." There is an apparent conflict of authorities as to whether this or similar agreements render the note non-negotiable. The note is, by its terms, made payable on or before Oct. 1, 1903. Without the paragraph complained of, it would unquestionably be a negotiable instrument, and the indorsers would be released by any extension of time of payment without their assent. We are of the opinion that this provision does not extend the time of payment indefinitely or render it uncertain. The time of payment is already fixed.

It is strenuously argued that the use of the word "makers" in the waiver admits of an extension being made at any time on the part of the holder, by a mere secret mental process, unknown to any other party. This may be true as a psychological fact, but we do not deem it so as a matter of practice in commerce and banking. To us it is clear that it has the same effect as though the note read "on Oct. 1, 1903, or thereafter on demand," in which case there would be no question of its negotiability.

Holders of notes do not by a secret mental process make an extension of the time of payment, but such extension, if made at all, is made by an agreement between the principal debtor and the holder of the paper, either with or without the consent of the indorsers. This provision seems to us to have been inserted to protect the holder against any release of indorsers or others, by an extension without their assent, and the word "makers" is evidently included to prevent any misunderstanding or misconstruction of the contract or failure to distinguish between makers, indorsers, sureties, and any other parties who might be or become liable thereon under certain contingencies as makers. (7 Cyc. 614.) This phrase does not express an agreement to extend time, but leaves the matter of extension optional with the holder, and not obligatory upon him, and the note on its face fixes the time when it becomes due. In this respect it must be distinguished from a provision to the effect that the time of payment shall be extended indefinitely, in which case the uncertainty of the time renders the instrument non-negotiable.

We feel that the reasoning in the National Bank of Commerce vs. Kenney (Tex. Sup.) 83 S. W. 368, is not only satisfactory, but conclusive of this point. The note involved in that case contained this provision: "The makers and indorsers hereof hereby severally waive protest, demand, and notice of protest and non-payment in case this note is not paid at maturity, and agree to all extensions and partial payments before or after maturity, without prejudice to the holder." In holding that this provision did not render the note non-negotiable, the Texas court says: "If, as is argued, the effect of the stipulation is to give the right to the maker, without the consent of the holder, or to the holder without the consent of the maker to appoint another date of payment, and thereby extend the time, it may be that it would render the instrument non-negotiable. But we do not think it capable of that construction. It does not say that either the holder or the maker may extend the note. It simply makes a provision

in case the time of payment may be extended. How extended? It seems to us that the extension meant is that which takes place when the debtor and creditor make an agreement upon a valuable consideration for the payment of the debt on some day subsequent to that previously stipulated.

"The obvious purpose of the stipulation taken as a whole was merely to relieve the holder of the paper from the burdens made necessary by the rigid requirements of the mercantile law in order to secure the continued liability of the indorsers and sureties on the paper. Therefore what was meant by the stipulation as to extension of time was simply that in case the holder and maker should agree upon an extension the sureties and indorsers should not be discharged. The holder and maker of a note may at any time agree upon an extension; therefore, the fact that they have that right does not affect the negotiability of the paper. It is usually said that, in order to make an instrument negotiable under the law merchant, the time of payment must be certain. But a note payable on or before a certain date is negotiable. The maker of such a note has the right to pay before the date named, but the holder cannot demand payment before that date.

"So, in this case, the time at which the maker may elect to pay is uncertain, but the time at which the holder may demand payment is certain. It follows that if the holder has the absolute right to demand payment at a certain date, the note is negotiable. This is but an illustration of what we understand to be the general rule. There being nothing in the stipulation under consideration, which gave any one the right to demand of the holder of the note an extension of the time of payment, we think the time at which he could demand payment was fixed, and that, therefore, it was a negotiable note."

In Capron vs. Capron, 44 Vt. 410, a note which contained the provision that "if there is not enough realized by good management in one year to have more time to pay" was held negotiable. (See, also, Protection Insurance Company vs. Bill, 31 Conn. 534; Farmer et al. vs. Bank, 130 Iowa, 469, 107 N. W. 170.)

In Jacobs vs. Gibson, 77 Mo. App. 244, the court held that an agreement that the time of payment might be extended without notice did not destroy its negotiability, and said: "The time of payment which is 182 days after date is certain, and if the holder exercises his option under the extension clause, and fixes another time, that time will be none the less certain. In legal effect we cannot discover that the agreement contained in the extension clause is different from that in a bill of exchange or promissory note which is payable at sight or on demand, or on or before maturity."

In Bank vs. Commission Company, 93 Mo. App. 123, the court says: "The makers and indorsers agree to any extensions or partial payments before or after maturity without prejudice to the holder," and that the note according to its terms amounts to no more than an agreement that in the event of an extension of time, the holder should not be prejudiced thereby. Under this agreement the holder was given the option to extend the time of payment without thereby creating the right to defend on that ground. In the exercise of this option, the holder would still retain the right to fix the time when the note should become due. There is a plain distinction between the clause in this note, and those in most of the cases cited as authority for the contention of the respondent, and this distinction has been made by the recent Iowa case cited above. The court of that state in Farmer et al. vs. Bank, supra, says: "In one branch of his argument, counsel bases a contention upon the assumption that the notes held by plaintiffs were non-negotiable, and this, because of the provision therein respecting sureties. The assumption is not warranted. As we think, the notes met all the requirements for ne-

gotiable instruments. There was no uncertainty as to the payee, the amount, or the time of payment. We may concede that in the case of an instrument providing in terms for the extension of time of payment indefinitely, there is such uncertainty as to make the same non-negotiable. And such are the cases of Miller vs. Poage, 56 Iowa, 96, 8 N. W. 799, 41 Am. Rep. 82, and Woodbury vs. Roberts, 59 Iowa, 348, 13 N. W. 312, 44 Am. Rep. 685, cited and relied upon by counsel.

But in the notes before us, we have a distinct and unqualified agreement on the part of the makers to pay on a certain date. And we perceive no good reason for holding that the negotiable character thereof is destroyed because of a clause embodied therein providing that a surety, if such there shall be, will not claim a release from his collateral liability on the instrument, if, forsooth, an extension of time shall be granted the makers without notice to him. Our attention has been called to no case so holding. As well say that where sureties, guarantors, and indorsers entitled to notice of payment, waive the requirement for such notice, the waiver must be given operation to destroy the negotiable character of the instrument. The doctrine of the courts seems to be that when the maker's promise will at some time be absolutely enforceable, and where the event on which the time and duty of payment depends is one over which the holder will have entire control, there is no such uncertainty regarding it as renders the note non-negotiable. (See Protection Insurance Co. vs. Bill, 31 Conn. 534, and cases cited therein.) So much for authorities sustaining its negotiabiity.

"We are, however, of the opinion that, under the plain terms of the negotiable instruments act of this state, this note is negotiable, without reference to other authority."

Section 6486, Rev. Codes 1905, defines a negotiable promissory note as follows: "A negotiable promissory note within the meaning of this chapter is an unconditional promise in writing, made by one person to another, signed by the maker, engaging to pay on demand, or at a fixed or a determinable future time, a certain sum of money, to order or to bearer." Section 6309 provides that an instrument is "payable on demand. * * * * 2. In which no time for payment is expressed." Section 6422 provides how such an instrument is "discharged against a person secondarily liable thereon." Paragraph 6 thereof provides that it is discharged by any agreement binding upon the holder to extend time of payment, or to postpone the holder's right to enforce the instrument, unless made with the assent of the party secondarily liable, or unless the right to recourse against such party is expressly reserved.

If, as is contended by the respondent in the case at bar, this instrument, taken as a whole, expresses no time for payment, then, under section 6309, it is an instrument payable on demand, and according to section 6486 the negotiability of a promissory note is not destroyed by its being made payable on demand. On the other hand, if it does express a time for payment, Oct. 1, 1903, is a fixed and determinable future time as required by section 6486, supra. This note was executed and dated within this state, and we are satisfied that the paragraph complained of as rendering it non-negotiable was drawn for the express purpose of protecting it within the terms of paragraph 6, section 6422, above quoted, and in accordance with other statutory provisions providing for waiver of presentment, notice of dishonor, and protest. Notes containing clauses similar to the one in question have been in almost universal use in this State for years, and the identical waiver complained of has been in common use, and the instruments containing them have been regarded and treated by the trade and bankers as negotiable.

For the reasons stated, the judgment of the district court is reversed.

Morgan, C. J., dissented.

DISCOUNTING NOTE INCOMPLETE UPON ITS FACE — BANK NOT HOLDER IN DUE COURSE.

HUNTER vs. BACON.

SUPREME COURT OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT, JULY 8, 1908.

Under the Negotiable Instruments Law a bank discounting a note blank as to date, amount and maturity is not a holder in due course.

HOUGHTON, J.: The appellant, Bacon, and one Allen, composed the copartnership firm of I. N. E. Allen & Co., lumber commission merchants doing business in the city of New York. Bacon claims to have retired; Allen continuing the business alone, but under the copartnership name. By the dissolution agreement Allen assumed the liabilities and was to wind up the partnership affairs, but legal notice of Bacon's withdrawal was not given. Allen became interested in the North State Lumber Company, Limited, operating near Durham, N. C. It became the custom for the First National Bank of Durham to permit the lumber company to overdraw its bank account, and to draw on Allen & Co., in New York, to make good such overdrafts. Either to meet these overdrafts or to furnish money to the lumber company, Allen sent to the bank or to the lumber company the notes in suit, payable to the order of the lumber company, signed, "I. N. E. Allen & Co." When the cashier of the bank received them, some of them were blank as to date, time of payment, and amount, and he, or some one under his direction, filled in these blanks as occasion required, and the lumber company indorsed them, and the bank placed the proceeds to the credit of the company. This was the general practice, and the precise situation as to the notes known as the August 4th notes.

It is claimed that authority to fill out these blanks came from Allen through the president of the lumber company, who was instructed to authorize the cashier to fill up the notes for as large an amount as the bank would take. The notes not having been paid, they were transferred to the plaintiff after their maturity. The plaintiff, amongst other claims, insists that the bank was a bona fide holder, and that therefore he is entitled to be so considered. The appellant, Bacon, contends that the bank was not a bona fide holder as matter of law, and that they were accommodation notes as to himself, given by Allen & Co. after his retirement from the firm, and that he cannot be held liable on them, because the giving of accommodation paper was not any part of the copartnership business. We think it is very clear that the bank was not a bona fide holder of the August 4th notes. When the cashier of the bank received them, they were not complete notes, and could only be made so by filling in the amount and date and time of payment. The cashier was engaged in the business of the bank in discounting them, and notice to him was notice to the bank itself. (Gibson vs. Nat. Park Bank, 98 N. Y. 87.)

The notes purported to be made in New York state, and were payable there, and by the express provisions of the negotiable instruments law (Laws 1897, p. 719, c. 612) one can be a holder in due course of a negotiable instrument only where the instrument is "complete and regular upon its face." This statutory provision is but a codification of the rule of the law merchant, which was that a party buying commercial paper which remains in some essential particular incomplete and imperfect does not acquire the character of a bona fide holder. (Davis Sewing Machine Co. vs. Best, 105 N. Y. 59.) The situation is not such as existed in Chemung Canal Bank vs. Bradner, 44 N. Y. 680. In that case a draft containing blanks was in the possession of the holder, and it was held that authority on his part to fill them in could be assumed from his possession. The decision was based on the doctrine that, because apparent authority had been given, it would be a

fraud upon innocent parties to permit an assertion to the contrary. (Town of Solon vs. Williamsburgh Savings Bank, 114 N. Y. 136.) In the present case, as to the August 4th notes, the blank notes were sent to the bank and filled in by the bank officer. There was no reliance on possession as evidencing authority to complete the instrument.

On the former appeal this court in effect held that the bank was not a bona fide holder, and it is conceded that plaintiff, by his purchase after maturity, acquired no such right unless he obtained it through the bank itself. The trial court was requested by the appellant in various forms to hold and to charge the jury that neither the bank nor the plaintiff was a bona fide holder, and his refusal was error, for which the judgment must be reversed.

On the trial and on the argument on appeal the parties treated all the notes as practically within the same legal status. But if it be assumed that the August 22d notes are legally different, because they were received by the bank from the maker filled in, but not indorsed by the payee, whose indorsement was afterwards procured by the bank, still, in view of the charge of the court and the attitude of the parties in treating all the notes as governed by the same rule, we think we should not now be called upon to separate them and treat them differently. Some of the exceptions to the charge and requests which were refused relate to both classes of notes. Viewing the exceptions as well taken at least as to some of the notes, we think we should treat the case as the parties have treated it, and hold that one rule on this appeal at least governs both kinds of notes.

On the former appeal, however, this court held that there was a question of fact as to whether the notes were as to Bacon in fact accommodation paper, or whether they were given in the course of the business of Allen & Co. Even if the notes were accommodation paper, because they were given outside the business of the firm, the appellant, Bacon, would be liable if he authorized them to be given, or if he ratified the giving of them with knowledge of the facts, or omitted to stop their issue after knowledge. (Bank of Monongahela Valley vs. Weston, 159 N. Y. 201.) The plaintiff claims that they were not accommodation notes given outside the business, but were given in the business of the firm of Allen & Co.; and he also insists there is evidence of knowledge or ratification, and that in fact there was no dissolution of the firm. The appellant insists that there is no evidence sufficient to sustain a verdict upon any of these issues, and asks that the complaint be dismissed.

We think the plaintiff has a right to have a jury pass upon these questions. On a new trial, with the question as to either the bank or plaintiff being a bona fide holder eliminated, or the jury properly instructed as to the August 22d notes as the facts shall appear, the jury can intelligently pass upon the questions of fact, unembarrassed by that feature of the case.

The judgment and order should be reversed, and a new trial granted, with costs to appellant to abide the event. All concur.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

CHEQUE— FORGED INDORSEMENT—PAYEE—"FICTITIOUS OR NON-EXISTING PERSON"—BELIEF OR INTENTION OF DRAWERS — BILLS OF EXCHANGE ACT. (Can. Section 20).

NORTH & SOUTH WALES BANK, LTD., VS. MACBETH (1908 Appeal Cases, p. 137).

HEAD NOTE: Where a cheque is drawn by a real drawer who designates an existing person as the payee and intends him to receive the proceeds, the payee is not "a fictitious person" within the Bills of Exchange Act.

The drawer of a cheque, induced by the fraud of W., drew the cheque to the order of K., an existing person, and intended him to be the payee. W. forged K.'s indorse-

ment, and paid the cheque into his own account at his bankers, who received the amount of the cheque from the drawer's bank:

HELD, that the drawer could recover the amount of the cheque from W.'s bankers.

Decision of the Court of Appeals, (1908) 1 K. B. 13 affirmed.

STATEMENT OF FACTS: This was an appeal on behalf of the Bank from the decision of the Court of Appeal confirming the Judgment of the Trial Judge. One William White represented to the plaintiff that T. A. Kerr was the owner of a certain number of shares in a company and induced the plaintiff to agree to purchase these shares. In furtherance of this object the plaintiff drew a cheque for £11,250 in favor of T. A. Kerr, which cheque White obtained, forged Kerr's indorsement, paid the cheque into his own account at the defendant bank, and they, on presenting it to the plaintiff's bank received payment. T. A. Kerr was an actually existing person, and while the plaintiff acted throughout as the result of White's fraud there was no doubt that at the time he drew the cheque he intended that T. A. Kerr, the existing person, should receive the proceeds thereof.

JUDGMENT (LORD LOREBURN, *L. C.*, LORD ROBERTSON and LORD COLLINS): It was not, in these circumstances, disputed that the defendants were liable to the plaintiff unless they could show that the payee of the cheque, T. A. Kerr, was a "fictitious" person within the meaning of the Bills of Exchange Act, s. 7, sub-s. 3.

I adopt the language of Bray, J.: "It seems to me that when there is a real drawer who has designated an existing person as the payee, and intends that that person should be the payee, it is impossible that the payee can be fictitious."

If the argument for the appellants were to prevail, namely, that the payee was a fictitious person because White (who was himself no party to the cheque) did not intend the payee to receive the proceeds of the cheque, most serious consequences would ensue. It would follow, as it seems to me, that every cheque to order might be treated as a cheque to bearer if the drawer had been deceived, no matter by whom, into drawing it. To state such a proposition is to refute it. Yet nothing short of this could establish the appellants' contention.

As to the authorities, I agree with the Court of Appeal in thinking that neither Vagliano vs. Bank of England nor Clutton vs. Attenborough governs the present case. I will not discuss the former of those authorities beyond saying that it was not a case in which the drawer intended the payee to receive the proceeds of the bill. And in the latter authority the payee was a non-existent person whom no one either could or did mean to be the recipient of the proceeds of the cheque.

That being so, I think this appeal should be dismissed with costs. LORD ROBERTSON. My Lords, we have been frequently told that the question before us is, What is the meaning of the word "fictitious"? It would be more accurate to say that the question is, What is the meaning of the words "fictitious person"? And I cannot help thinking that, at least in the present case, this has not been sufficiently attended to. Dr. Johnson, it is true, gives "counterfeit, false, not genuine" as one meaning of the word "fictitious"; but the illustration given, namely, "fame," shows that this meaning is applicable to things; he gives another, "feigned, imaginary," and the illustration given is "The human persons are as fictitious as the airy ones." This last is the sense applicable to persons, and "person" is the word with which we have to deal.

Now I hope I shall not be thought too crude if I say that the present question seems to me to be decided, once we know that T. A. Kerr, so far from being a "feigned or imaginary" person, was a living man, in business, known to the drawer of the cheque, and intended by him to receive the proceeds.

All that has been said about the

cheque does not seem to me to touch this question. The argument, if good for anything, brings within this section all bills obtained by fraud, and credits the Legislature with expressing this by describing the payee as a fictitious person. I am unable to adopt this conclusion.

IRVINE'S CASE: This was an appeal argued at the same time as Macbeth's case just noted, the only difference in the circumstances being that while Irvine signed a cheque for £2300 payable to a real person, White actually advances to Irvine the sum of £2180 to meet his cheque for £2300. It was contended that all that could be recovered against the bank was the difference, namely, £120.

On this point Lord Loreburn stated "the defendants urge that he can recover from them nothing beyond this actual loss. I do not think so. I agree with Buckley, L. J., that the whole £2300 paid to the defendants was paid out of Irvine's money at his own bankers. Where he got that money is irrelevant. He may have to account for £2180 of it to White's trustees. I do not know whether it will be so or not. It will depend on the rights between plaintiff and White's trustees. But I see nothing that can entitle the defendants to stand in the shoes of White's trustees and claim against the plaintiff what, in effect, is a set-off, arising out of an indebtedness of the plaintiff, not to themselves, but to White. If any case could be cited in favor of the defendants' contention, it might be necessary to contrast it with other authorities. But I think there is no such case, and that the law is plain.

Editorial Note: This English case was reported because the wording of the English statute is exactly the same as our own and this decision of the highest court in England would undoubtedly be binding upon our courts; and also because it can not be reconciled with the decision of the Court of Appeal for Ontario in The London Life vs. Molsons Bank noted in THE BANKERS MAGAZINE.

BILLS AND NOTES—MATERIAL ALTERATIONS — FORGERY — PARTNERSHIP — MANDATE—ASSENT OF PARTIES—LIABILITY OF INDORSER — CONSTRUCTION OF STATUTE — "BILLS OF EXCHANGE ACT."

HEBERT VS. LA BANQUE NATIONALE (40 S. C. R., p. 458).

STATEMENT OF FACTS: This was an appeal from the judgment of the Court of King's Bench of Quebec affirming a judgment in favor of the bank in an action upon a note for $2,000.00 of which the appellant was joint maker and joint endorser. Hebert was a tailor and intimate with one Roy, a butter merchant. Roy desired to purchase a quantity of butter and induced Hebert to endorse his demand note for the sum of $2,000.00 agreeing to give him one-half the profits of debenture for so doing. He also agreed to give warehouse receipts to the bank upon the butter to secure the advance, but as a matter of fact obtained the advance upon the endorsement of the appellant, telling the manager that the warehouse receipts had been given to the appellant to secure both himself and the bank.

Without the knowledge or consent of the appellant Roy altered the note by adding the words "with interest at seven per cent. per annum." Some months later the appellant discovered the fraud with respect to the warehouse receipts and obtained from the bank a copy of the note now sued on. What then took place was that the appellant laid information against Roy and asked the accountant of the bank to request the manager to wait until June 1, for payment and later told the manager if the bank would wait until June 1 he would have moneys and would be saved the expense of giving security by way of mortgage.

The contention of the appellant was that the alteration to the note constituted a forgery and that the note was void against him under the terms of section 145 of the "Bills of Exchange Act."

JUDGMENT (CHAS. FITZPATRICK, *C. J.*, DAVIES, IDINGTON, MACLENNAN and DUFF, *J. J.*): The court were divided in their opinion, the Chief Justice held that the transaction was a joint venture and consequently that Roy had authority to make whatever agreement was necessary with the bank and so to make the alteration in the note which was complained of.

Mr. Justice Davies in his dissenting judgment was of the opinion that the appellant had given assent to the alteration by his conduct subsequent to his discovery thereof.

The remaining members of the court were of the opinion that the appeal should be allowed, inasmuch as the note sued on was a forgery and could not be ratified by an ex post facto assent.

IDINGTON, *J.*, referring to the conduct of the appellant after discovering the addition to the note says "The respondents are reduced to depend on a proposal made subject to a condition and never accepted or assented to.

"I am at a loss to know how these expressions can be twisted into any assent such as the Act requires or even if ratification was permissible to render a void instrument valid."

The first, and for this case material, part of section 145 is as follows:

145. Where a bill or acceptance is materially altered without the assent of all parties liable on the bill, the bill is voided, except as against a party who has himself made, authorized, or assented to the alteration and subsequent indorsers.

It is upon getting us to give the words "assented to" therein such an extensive meaning as they have not yet been given in England or Canada that the hope of respondent lies.

Some formidable difficulties stand in the way. In the first place for the reasons already stated there was no assent and none in the way, at all events, of consent which is to be implied in what I will for the present and as a convenience call the primary meaning of assent, which the law required or had in view.

The case of the Merchant Bank vs. Lucas binds this court. There the defendant's firm name had been forged by a brother of a member of the firm who recognized it as a forgery and at last promised to send next day a cheque for the amount.

The Court of Appeal for Ontario held that the defendants there were not liable, that a forgery could not be ratified, and that there was not enough shown to create an estoppel, and thereby the defendants were discharged and this court upheld that.

The case here against the appellant is infinitely weaker than that case was against the defendants, unless we distinguish forgery by alteration as different in effect in this regard from a forging of the signature. Is there in principle room for such a distinction? I cannot see how, if due regard be had to the essential nature of the things dealt with. Why discriminate so between things, so essentially requiring the same treatment, in laying down rules for the guidance of men?

At common law forgery was defined to be the fraudulent making or alteration of a writing to the prejudice of another man's right.

What has been and, short of a new agreement, has alone been made effective in such cases, is where the acts or words, or either, of the party having a right to repudiate the forgery, have led another party to rely on such acts or words and act on the faith thereof.

"In any form this case presents or in which it can be presented to escape this rule, we must either ignore the forgery, self-confessed as it stands, or find that an alleged promise not relied upon, not accepted, nor shown to have been acted upon, is an estoppel that bars the right to appeal to the rule."

MACLENNAN and DUFF, *J. J.*, went somewhat further than this in holding apart from the question whether or not there had been an intention on the appellant's part to assent to the alteration when it became known to him that it was impossible legally under the section to assent to such an alteration after it had been made. That is, a material alteration of a Bill or Note made it void at once, and no subsequent authorization or assent would renew its validity.

BANKS AND BANKING--FORGED CHEQUE -- NEGLIGENCE — RESPONSIBILITY OF DRAWEE —PAYMENT—MISTAKE—INDORSEMENT — IMPLIED WARRANTY—PRINCIPAL AND AGENT — ACTION — MONEY HAD AND RECEIVED — CHANGE IN POSITION — LACHES.

THE DOMINION BANK VS. THE UNION BANK OF CANADA (40 S. C. R., p. 366).

HEAD NOTE: A mistake of fact, notwithstanding that, after such payment, the position of the defendant, had been charged by paying over part of the money to the forger.

STATEMENT OF FACTS: This was an appeal from the judgment of the Court of Appeal for Manitoba which has been reported in an issue of THE BANKERS MAGAZINE. Other facts appear sufficiently from the head note.

JUDGMENT: The appeal was heard by GIROUARD, DAVIES, IDINGTON, MACLENNAN and DUFF, *J. J.*

GIROUARD, *J.* adopts the language of the judgment in the Bank of Montreal vs. The King (38 S. C. R., p. 267). Whatever was the jurisprudence in the old days, it has been settled by the "Bills of Exchange Act," section 54 (now section 129), which limits the liability of the acceptor to the genuineness of the signature of the drawer, thus impliedly excluding his liability for the forgery of the body of the bill.

DAVIES, *J.*: It is conceded that neither bank can be charged with negligence in not detecting the forgery by mere inspection of the cheque, but the respondent bank submitted that there was negligence on the part of the Dominion Bank in cashing such a cheque without first having had the person asserting himself as the payee identified.

The man turned out to be a forger and a thief, he was unknown to the manager, was not required to be identified, and was successful in obtaining some $825, which it seems to me would have been prevented had the usual banking business precautions been insisted upon.

The Union Bank on the other hand cannot be charged with negligence. It had declined in the first instance to pay the cheque to the alleged payee until he satisfied them of his identity, and only paid it when it came to them through the clearing house with the name of the Dominion Bank stamped across it. No negligence whatever can be imputed to the respondent bank; the names of the officials authorized to draw cheques for the Government were genuine and proper; inspection would not and did not enable them to discover the forgery of the body of the cheque.

In the late case of The Bank of Montreal vs. The King, (1) we had a somewhat analogous case before us, and we there held that The Bank of Montreal, the drawee of the cheque, could not recover back the moneys paid by it to another bank for a forged cheque and which moneys the receiving bank had paid out to the forger before it had any notice or knowledge of the forgery.

The great and broad distinction between that case and the one now in appeal, at any rate in the opinion of the majority of the court, was that the name of the drawer of the cheque had been forged and that the payee by paying the cheque had represented to the receiving bank that the drawer's signature was genuine and was consequently disabled from recovering back the money, the signature being a forgery and the receiving bank having acted on the faith of such representa-

tion and paid away the money to the forger.

MACLENNAN, *J.:* The appellant, without further inquiry, cashed a Government cheque for $1,000, twenty days old, presented by a person unknown to it pretending to be the payee, and who professed to be a private detective residing at a certain house in the city. Having thus cashed the cheque, the appellant stamped it with the name of the bank and sent it to the Clearing House for payment.

I think that in doing all this without further inquiry the appellant acted with unusual want of care, and, unintentionally, set a trap for the respondent into which it fell. For I suppose that, almost invariably, when a cheque with a genuine signature comes for payment to the bank on which it is drawn, after passing through the Clearing House and having the stamp of another bank upon it, it is paid without further question, and that is what happened in this case.

The respondent exercised due care. It refused, when applied to by the forger, to pay the cheque without his being identified. If the appellant had done that no loss would have occurred.

I think the equities of the case are entirely with the respondent. The appellant was not a mere agent. It had cashed the cheque and become the owner of it. It had, in effect, paid the money to the forger and borrowed it from him again at interest. When it presented the cheque for payment, it did so as owner of it and vouched for its genuineness by its stamp, as provided by rule 6 of the Clearing House respecting indorsements.

I think the loss was due solely to the want of care of the appellant, and that there was no negligence whatever on the part of the respondent.

It is not unimportant either that the appellant has a clear right of action to recover this money from the forger, while the respondent, unless it recovers from the appellant, has no recourse against any one.

BANKS AND BANKING — PRESENTMENT OF CUSTOMER'S CHEQUE TO THE WRONG CLERK—DIRECTION BY SUCH CLERK TO PRESENT THE CHEQUE TO ANOTHER CLERK TAKEN AS REFUSAL TO PAY —ACTION FOR DAMAGES FOR SUCH REFUSAL—JURY—EVIDENCE SUFFICIENT TO GO TO—WITHDRAWAL OF CASE FROM—PRIMA FACIE CASE.

REAR VS. THE IMPERIAL BANK OF CANADA (13 B. C. R., p. 345).

HEAD NOTE: A clerk from one bank presented at another bank a cheque of a customer of such last mentioned bank, but at the wrong ledger keeper's wicket, and was directed to present it at another wicket. There was no evidence that this was done, and a telegram was sent out by the first mentioned bank that the drawer of the cheque had no account:

HELD, on appeal (Irving, J., dissenting), that the trial judge was right in taking the case from the jury and dismissing the action for want of sufficient evidence.

STATEMENT OF FACTS: This was an appeal to the full Court from the Judgment at the trial in an action to recover damages for wrongfully refusing to cash the Plaintiff's cheque.

Plaintiff, a customer of the Vancouver branch of the defendant bank, drew a cheque in Seattle for $1,227.50 and gave it to a person there in connection with a business transaction. The payee negotiated the cheque with the First National Bank, which in turn forwarded it to the Vancouver branch of the Canadian Bank of Commerce for collection. The latter bank in the regular course of business sent the cheque, by one of their clerks, to the Imperial Bank. This clerk presented the cheque to a clerk in the Imperial Bank in charge of the savings ledger and the A to K ledger, who directed him to present the cheque at the L to Z wicket. There was no evidence that this direction was followed and in consequence the Bank of Com-

merce sent a telegram to Seattle stating that the plaintiff had no account. At the same, and by the same clerk, another cheque of the plaintiff's was presented, drawn on the Bank of Montreal, Vancouver, and the Imperial Bank clerk suggested that in addition to presenting the cheque in question in the action to the L to Z ledger-keeper, he also present it at the Bank of Montreal. The cheque in dispute was written on a Bank of Montreal, Nicola, B. C., form, with the words "Imperial Bank of Canada," substituted for "Bank of Montreal," and "Nicola" crossed out, but no place of payment mentioned. The defendant bank had no branch at Nicola. At the trial on the close of the plaintiff's evidence, the learned judge withdrew the case from the jury and dismissed the action for want of sufficient evidence.

Judgment (Hunter, *C.J.*, Morrison, *J.*; Irving, *J.*, dissenting): The plaintiff's counsel insisted that there was enough to go to the jury when he proved that the cheque was produced to the first ledger-keeper and that in consequence of what transpired the Bank of Commerce sent a telegram to Seattle, where the payee then was, stating that the plaintiff had no account. But what the Bank of Commerce did was clearly res inter alios, and all that was shown, therefore, was that the cheque was presented to a clerk who, according to the only evidence given on the subject, was the wrong clerk.

The contention that, without more, a direction by one clerk to present the cheque to another clerk might reasonably be found by the jury to amount to a refusal, is in my opinion untenable; it would be just as arguable to say that a jury might find that a cheque had been dishonored which had been presented to the janitor or charwoman. It would be difficult, if not impossible, especially in the case of an incorporated bank, to carry on a banking business in orderly fashion if the bank could not require the customer or payee to present his cheque to a particular clerk.

As, therefore, the jury could not reasonably have found that the Bank had acted unreasonably in requiring the cheque to be presented to a particular clerk, I think the dismissal was right.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

WAIVER OF DEMAND AND NOTICE —WHAT SUFFICIENT—GUARANTY OF PAYMENT.

Carthage, Ill., Aug. 20, 1908.

Editor Bankers Magazine:

Sir:—Under the Negotiable Instrument Law of the State of Illinois, in order to hold an endorser in blank on a note without giving notice of dishonor or protest, is the following form of guarantee sufficient?

For value received I hereby assign the within note to the ——————— and guarantee the payment of the same when due, or at any time thereafter.

If, in your opinion, this form of endorsement is not sufficient, what should be added to make it so? Does the Negotiable Instrument Law of Illinois require that a note payable on demand shall be either paid or steps taken for its collection within a certain time, in order to hold the several makers and endorsers thereof. Please cite us to cases bearing on these questions.

Cashier.

Answer.—(1) The Negotiable Instruments Law of Illinois provides that "The addition of words of assignment or of guaranty shall not negative the additional effect of the signature as an indorsement unless otherwise expressly stated." (Sec. 31.) This provision is not found in the statute as enacted in the other States, and it appears to have been intended to preserve a rule peculiar to the courts of Illinois. In other States, and in the Federal courts, it was held that where there was an express contract of guaranty, no implication of any contract as indorser would

be raised. (Trust Company vs. National Bank, 101 U. S. 68; Lamourien vs. Hewitt, 5 Wend. [N. Y.] 307.) Under the Illinois statute, the person so signing would seem to be liable both as a guarantor and indorser. As an *indorser* he would be entitled to notice of dishonor, and if not given such notice, would be discharged in that capacity, though he might still be held upon his guaranty. But to avoid any question, we think it would be better to dispense with the guaranty, and incorporate in the body of the note a provision as follows: "The indorsers waive demand and notice of dishonor." This will bind all the indorsers; for the statute provides that "where the waiver is embodied in the instrument itself, it is binding upon all parties; but where it is written above the signature of an indorser, it binds him only."

(2) In regard to notes payable on demand, the Illinois statute is the same as that of New York and other States. It provides that in the case of a negotiable instrument payable on demand, "presentment must be made within a reasonable time after its issue, except that in case of a bill of exchange, presentment for payment will be sufficient if made within a reasonable time after the last negotiation thereof." The effect of this section was considered by the New York Court of Appeals in the late case of Commercial National Bank vs. Zimmerman, (185 N. Y. 210.) There the court, after stating the former rule which prevailed in this State, that a promissory note payable on demand with interest was a continuing security, on which an indorser remained liable until actual demand, said: "The law being thus settled in this State, the Negotiable Instruments Law was passed, in 1887, as the outcome of a general movement to bring about a uniform law in this country, covering the subject of 'Bills and Notes.' It was codification of the law, and, in the respect which we are considering, it modified the rule as formulated in Merritt vs. Todd. It established one rule, which was to be applicable to all cases, that where an instrument 'is payable on demand, presentment must be made within a reasonable time after issue.' No distinction was to be made, as therefore, when the instrument was an interest-bearing obligation. While, therefore, it must be regarded as changing the rule upon the subject of the time for the presentment of such instruments, by placing them upon the same footing, the fourth section of the law has to be given effect; which requires, in determining what is a reasonable time, a consideration to be had of the nature of the instrument, any usage of trade and the facts of the particular case. That would certainly be sufficient to authorize the differentiation of bills, of promissory notes, from other instruments for the payment of money; but, even where it is a question of the time within which a demand note must have been presented, the facts and circumstances of the case must be regarded. If a note is payable on demand, it is always mature and may at any time be demanded. The Statute of Limitations commences to run against the maker from its issue. (Herrick vs. Woolverton, 41 N. Y. 587.) After its issue, what constitutes reasonableness of time for its presentment cannot be determined by any fixed rules; for, plainly, the particular circumstances may be such as to evidence some intention of the parties as to its continuance. And, certainly, they may be sufficient to justify an inference of unreasonable delay." The statute has not yet been construed by the Illinois Court, but in view of the plain language of the law, there seems to be no reason for supposing that it would reach a conclusion different from that of the New York court.

Mr. Microbe—"Horrible catastrophe! Ten million lives lost!"

Mrs.—"Good gracious, Mike! What happened?"

"The First National Bank, without a word of warning, sterilized a dollar bill."—*Independent.*

THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

A BANK PRINTING PLANT.

How a Large Chicago Bank Prepares Its Own Advertising and Other Printed Matter.—By F. W. Ellsworth, Manager, Department of Advertising and New Business, First National Bank, Chicago.

IT is probable that during the past ten years there has been more development in the office system of progressive banks than had been the case during the previous fifty years. This development has been the inevitable result of the enormous increase in business during that period. The bank deposits in the United States increased over 300 per cent. from 1897 to 1907. Such a remarkable growth could not be handled by the methods in vogue twenty years ago, and as a consequence labor saving devices of all kinds have been invented, book-keeping systems have been simplified and the actual necessary work of a bank reduced to a minimum. It is but natural, therefore, that along with other improvements, in order to economize both time and money, and to enable them to secure their printed matter just as they want it, and just when they want it, some of the larger and more progressive institutions have established their own printing plants.

A conspicuous instance of this innovation is the First National Bank of Chicago, where a printing department with complete equipment has been maintained for the past seven or eight years. When first introduced, this department had two presses, two operatives, and a limited amount of paraphernalia. Now it has a power cutter, and five presses, including a large cylinder press, each operated by its individual electric motor. In addition, it carries type of the best standard faces in liberal sized fonts, rule, imposing stones, wood and metal furniture—in a word a complete equipment, modern and up-to-date, and capable of printing practically everything that a bank requires from a deposit ticket to an elaborate booklet. Seven men now constitute the personnel, the original two being a part.

Here practically all of the stationery of this big bank is printed, and delivered to the bank's stationer. Orders are received through the stationer just as though it were an outside printing office. The one great advantage which is derived from its

Fred W. Ellsworth.

existence is quick action. If a rush order is received, which must be gotten out without loss of time, everything in the office can be sidetracked. This, of course, would seldom be possible in an outside office.

High Quality of Work.

The manager of the printing department is a practical printer, who has had his training with one of the best houses in the country and the quality of the work which is turned out, as evidenced by the bank's statements, booklets, and other publicity matter needs no comment.

Most of the advertising literature issued by the First National Bank and its affiliated institution, the First Trust & Savings Bank, is prepared in the printing department, and when it is considered that some of the jobs run into the hundreds of thousands a fair idea of its capacity may be secured. All of the advertisements which are placed in newspapers and various periodicals throughout the country are first set up in this department, and then electrotypes are made which are furnished to the publications. This insures a uniformity of style and display which would be practically impossible otherwise.

The work of the printing department, of course, is varied. There is no system, as the word is known in other departments of the bank, the one regular job being the daily statement, of which thirty are printed and delivered within a half hour of the time copy arrives.

First National Bank Building, Chicago.

A Monthly House Organ.

THE REVIEW, "the best printed house organ in the country," and published, by the way, NOT by the bank, but by the employes, is printed here monthly, as is also the schedule of the Letters of Credit and circular notes issued by the Foreign Exchange Department. With these exceptions orders are given as stocks are depleted, or as new forms become necessary.

The printing department of the First National Bank of Chicago is operated on its own merits, and a charge based on competitive prices of other printers is made on each job. Its expenses, wages, light, power, stock—in fact, everything are debited, the difference at the end of the year showing whether the department has been successful financially as well as in point of service. That it has always shown a balance on the right side is due, no doubt, to the fact that it specializes in bank printing, doing that and nothing else. It is planned and equipped with this end especially in view, and it is not strange that the reward is a fair measure of success.

ADVERTISING THAT PAYS.

A Discussion of Some Features of Financial Publicity Necessary for Best Results.

THE editor of this department is frequently called upon to write for other magazines articles on the subject of bank advertising. Two recent ones are reproduced herewith.

"Proof of the Pudding is in the Eating," in the September "Profitable Advertising:"

Until recently, most bankers did not expect any direct results from their advertising, and, in view of the kind of advertising they did, it was more or less of a miracle when there were any results.

But a new day is at hand. The stereotyped card or statement as a form of banking publicity is passing, and in its place is appearing result-getting copy—advertisements that pull and actually bring new business to the banks.

No longer is it necessary for advertising agent or publisher to pacify a dissatisfied advertising bank by saying:

"The full benefit of advertising is not to be measured by the direct returns from any given campaign or any particular series of advertisements."

That statement is true, of course, but how much more satisfactory it is to trace direct results!

Accompanying this article are illustrations of bank advertising matter that has proved effective in getting concrete results. In speaking of the advertising of the Franklin Society for Home-Building and Savings of New York, Mr. Henry A. Theis, second vice-president, made to the writer the following statement:

"In its advertising, the Society recognizes two essentials:

Strong advertising copy to attract inquiries, and

A concise and clear presentation of its principles and its methods.

"By carefully selected advertising and judicious handling of inquiries, the Society has made rapid strides in the increase of its deposits. During the first ten days in January, in number, one-third of the new accounts were traceable to advertising; and in amount, three-fifths of the sum total of new accounts opened. The first five months of this year, showed an increase in deposits, equal to the increase for the whole year of 1907. Of the number of accounts opened, one-third was directly traceable to advertising, representing an amount one-half of the sum total to the credit of all new accounts opened during that period.

"The new business alone was far in excess of the total gain in deposits for the first six months of last year. It is the policy of the Society to advertise extensively around the first of July and January, when the minds of men are naturally turned towards their savings accounts. During the period intervening, a small copy is used to bridge us over until the next extensive advertising. The insertions in the various papers are doubly keyed, and a follow up card will tell the source and substance of his inquiry, the letters and literature he has received, up to the time an account is opened.

"A ledger account is opened for each medium, which shows the actual results in accounts opened and the cost of the adver-

Psychology of Saving

"Psychology" is a big word and it stands for a big thing, but the "psychology of saving" is a simple matter.

It means just this—besides the actual amount of money you accumulate by systematic saving, you get very valuable **mental** effects.

The mind has a great influence over the body. Saving makes you think success thoughts. It creates in you a **desire** to get ahead, and desire is the first step toward **attainment.**

Saving frees you from worry about the present, and from anxiety for the future.

Therefore, the psychological effect of saving is that you are enabled to give your whole attention and best efforts to your work.

In short, when you save regularly you can do better work and more of it.

This strong national bank encourages your thrift by paying 3 per cent. compound interest on your savings.

THE QUINCY NATIONAL BANK

Fourth and Hampshire Streets

Opportunity Insurance

Many a man has lost good business opportunities by not being prepared financially to grasp them.

In an Eastern city a skilled machinist, 50 years old, who had always earned a good salary, sold a valuable invention for a small amount because he had not saved any money and had not capital to float it. He said that if he had even a small amount of capital, he could have made a fortune out of the device.

Now past middle life, he must keep on working, when he might have retired in comfort.

Insure **your** opportunities by means of a savings bank account. In this kind of insurance you are **paid** dividends instead of having to **pay** premiums.

At this $1,200,000 bank your dividends come in the form of 3 per cent. semi-annually compounded interest.

THE QUINCY NATIONAL BANK

Fourth and Hampshire Streets

tisement. These two series of cards form a record from which all proportions can be readily worked out.

"It is often claimed that it is undignified for a nnancial institution to use a follow up system. Our records show that without it a great deal of business would be lost to us, and the cost of our advertising materially increased. The two together, properly managed, work hand in hand, and the following up of inquirers with dignified letters and literature, greatly minimizes the expense of advertising."

The advertisements of the Quincy National Bank reproduced herewith are samples of a series prepared by the writer for the savings department of that institution.

Cashier J. M. Winters says that he is able to trace satisfactory direct results from speak, in picking up time deposits from people who, unless especially appealed to in this way, would go to the regular savings banks with their deposits.

In regard to this advertising the National Bank of Commerce in St. Louis said:

"The advertisements appeared in the St. Louis daily newspapers during the spring and summer of 1907. They ran three times a week with change of copy each insertion, the space being seventy-five lines by two columns.

"The first series had for its object the securing of additional time deposits. It was very successful, a large number of certificates of deposit being issued to new customers. These advertisements are different from the stereotyped form of bank advertisements. They are educational in

Limit Your Spending

and SAVE the balance. That is a better way to get a start financially than to limit your saving and SPEND the balance.

It is surprising how quickly you can create capital when you go about it in the proper way and with determination.

With capital—reserve funds—you are ready for business opportunities which will surely come to you. Remember it is

Not Your Saving

alone that will make you independent. Your money must be in a safe place and must work for you.

Ask for the free 28-page book, **"You and the Rainy Day,"** issued by THE NATIONAL BANK OF COMMERCE IN ST. LOUIS.

It will tell you all about the safe and convenient 3% Certificates of Deposit of this great institution — one of the strongest banks in the country — besides giving you sound advice on the subject of saving and investment. Send for this valuable book today.

The National Bank of Commerce

in St. Louis

Broadway and Olive Street

Put Some Money Away

now. You will not always be able to earn as much as you are earning today. But by saving a portion of your income now and putting it into a certificate of deposit in a perfectly safe bank like the $86,000,000 NATIONAL BANK OF COMMERCE IN ST. LOUIS, where it will not only be secure but will also earn 3% interest and grow rapidly, you will be prepared for the inevitable day when you must cease working.

It is the only part of wisdom to save money while you can.

In These Good Times

there is no excuse for anyone not saving a part of his earnings. If you are at all interested in this subject, it will pay you to send for **"You and the Rainy Day,"** a 28-page book containing some very valuable advice on financial matters and telling about the 3% Certificates of Deposit of this strong bank.

The book will tell you how to save and make money as well as how to invest it wisely.

"You and the Rainy Day" is free for the asking.

The National Bank of Commerce

in St. Louis

Broadway and Olive Street

this "human interest" advertising, and under date of June 25, 1908, gives the following figures:

"On April 1, 1908, deposits in our savings department amounted to $316,000. To-day they are $356,000."

During this three month period when there was an increase of $40,000 in savings deposits, advertisements such as those shown herewith were run in two of the Quincy daily papers three times a week, the space being four inches, double column. No other advertising was done. While the principal emphasis is given to the savings department, occasionally advertisements in the same typographical style but dealing with other departments of the bank's service are successfully used.

The National Bank of Commerce in St. Louis advertisements were prepared by the writer last year in a series exploiting that institution's certificates of deposit. They are noteworthy because they illustrate what can be done by a big commercial bank in the way of developing a by-product, so to character and have considerable of the human interest element in them."

No illustration was used, but the peculiar typographical style of these advertisements made them stand out very prominently in the newspapers. This series of advertisements has been commented upon considerably by financial publications and, with the permission of the bank, the subject matter has been used by many other banks throughout the country in their own advertising, the Bank of Commerce having had the series printed in booklet form for distribution.

"Effective Savings Talk" in "The Bank Advertiser" for October:

Too much savings bank advertising consists solely of glittering generalties on the subject of thrift.

Savings maxims are good, but it's a long time since Benjamin Franklin got out his "almanacks" and some of "Poor Richard's" sayings are rather trite now.

Most persons realize that it is a good

thing to save money and that it is foolish to spend it extravagantly.

The true mission of the savings advertisement, therefore, is to induce the reader to act now, to do something definite—to begin at once to save systematically and deposit regularly.

The question naturally arises, What is the best way to do this?

The answer is INSPIRATIONAL COPY.

One of the most popular of the general publications is "Success Magazine." A principal reason for the popularity and success of that magazine is to be found in the forceful, inspiring editorial matter it contains from the pen of its editor and founder, Dr. Orison Swett Marden.

Reading that kind of literature makes men and women resolve and do things.

There is no doubt at all about the value of such articles. Many a young person has been inspired to successful efforts by reading of that nature.

As the chief object of all advertising is to induce action—to get people to do as the advertiser suggests, is it not reasonable to say that advertising copy that is enthusiastic and inspirational is best because most likely to bring about action in the desired direction?

Now, for some concrete illustrations.

Following are portions of the copy for five advertisements prepared by the writer for the savings department of a national bank in a Middle West city:

CONCENTRATION AND ENTHUSIASM.

These are two big words—big not only in the number of letters they contain but big in the importance of what they stand for.

These two qualities of mind have been responsible for a tremendous total of success in the history of the human race. Very little that is great has ever been accomplished without them.

Concentration provides the guiding rails—the direction; enthusiasm is the steam—the motive power. Together they are irresistible.

This applies to the matter of saving. You need to concentrate your efforts to save money. Having an object in view—getting an education, establishing a home, providing for old age—will give you enthusiasm.

AN ANCHOR TO WINDWARD.

Sailors know the wisdom of having an anchor to windward. That precaution has prevented many a disaster.

To have a money surplus—capital in reserve—is simply throwing an anchor to windward. It will prevent your drifting on to the rocks of dependence and want.

The time to build up a reserve, a safeguard for the future, is now when you are strong and able to work and sacrifice. You don't know about the future, but you do know that now, to-day, you are able to earn and save. Make the most of your present opportunity and prepare yourself for greater ones later on.

LINE OF LEAST RESISTANCE.

It is natural and easy to follow the line of least resistance. But it is doing the hard things that develops strength and character.

It is the easiest thing in the world to spend money foolishly or carelessly. It takes strength and determination to resist the temptation to do so, but successfully resisting the temptation brings two rewards—a stiffening of your mental and moral backbone and an increase in your material resources.

We want to help you all we can in your efforts to get ahead financially—to create a tangible proof of your accomplishments in the shape of money saved.

YOU CAN BE RICH.

Poverty and riches are relative terms. That is, some persons can be rich with a thousand dollars and some poor with fifty thousand. But there is no reason, aside from physical disability, why you or any other person in this country cannot acquire at least enough wealth to make it possible to spend the declining years of life in comfort and without worry or anxiety concerning the necessities of life.

It is merely a matter of so regulating the habits of life that you will systematically save a portion of your income and deposit it regularly in a safe interest-paying bank like this.

The truth of this is proved by the experience of thousands of successful men and women.

WHAT WILL YOU DO ABOUT IT?

You undoubtedly realize the importance of systematic saving. You have read and heard a great deal about the folly of extravagance and the wisdom of economy.

You have seen actual instances of the disastrous results of the former and the happy consequences of the latter.

Now, the question is, What are you going to do about it as regards your own habits? Will you start to-day to save a portion of your income regularly or will you continue to procrastinate and postpone the start until "a more convenient season"?

Doing something definite will help you. Come into this bank as soon as you possibly can and open a savings account even if with no more than a dollar.

The writer lays no claim to literary ability, but in these advertisements at least an attempt has been made to get away from the common style of savings advertisement which makes use of such platitudes as the following:

The rainy day.
The foundation of fortune.
Harvest follows seed-time.
A dollar saved is a dollar earned.
The secret of success.
Have you an account with us?
Saving is a habit.

Now, it is not meant to criticise the ideas contained in the above expressions, but only the use of the same words in the same old way that has been used by savings bank advertisers from time immemorial. Nor would we forget that there is constantly

coming up a new generation to which these stock phrases are new.

The point is this, the rugged truths expressed in a jerky, disconnected way may be enough to remind the reader that he ought to save money. They may make him say to himself, "I ought to do that." Whereas, a stronger, more logical and more action-compelling appeal is likely to lead him to say, "I will do that."

It is the human will that the advertiser has to deal with, and in writing an advertisement it is well to consider the various factors that tend to influence it.

Turn the searchlight inwards. What is it that moves your will? You do not need to be a profound student of psychology to be able to trace cause and effect in your own case.

You will be surprised, perhaps, if the result of this self-examination proves to you that oftentimes you do not act as the result of cold logic or reason, that perhaps in the majority of cases calling for a decision you decide in a certain way because you have been moved in that direction by your feelings, your emotions. Possibly you have first been convinced logically that the thing is right, that the course is the proper one, but your action has been impelled by some enthusiasm or inspiration that has been communicated to you from an extraneous source.

In short, the gist of the whole matter as it relates to savings bank advertising is this:

Use a strong, unusual heading and good typography, or illustration, to get the reader's attention.

Then hold him with all the personality, enthusiasm, human interest and literary charm you can command. Give enough facts to satisfy the mind, and, finally, give expression to optimistic, inspiring ideas, thoughts that will make the reader do as you want him to do.

Jonathan Edwards and the preachers of his day in Colonial New England were in the habit of dividing their sermons into three parts:

1. The Introduction.
2. The Argument.
3. The Application.

It was in the latter part that Edwards was accustomed to make his wonderfully successful appeals. He preached a sermon entitled "Sinners in the Hands of an Angry God," in which he made sinners feel that they were hanging by a single hair over the yawning mouth of hell.

A contemporary writer relates how persons with guilty consciences hearing this would frantically grasp the benches and pillars as if to keep from sliding into the awful abyss.

It is not the writer's wish to convey the idea that people can be or should be so scared into saving money, but, this illustration is used to emphasize the fact that it is possible to move the human will by the use of words and it is the author's belief that a study of this subject cannot help proving advantageous to the writer of advertising, whose success in his work is measured by the results obtained from the advertising matter which he prepares.

It is a noteworthy fact that this element of enthusiasm or inspiration enters into the work of practically every person who has been unusually successful as a writer of advertisements.

It has been said that a poet is born, not made, and Cicero wrote of a certain "divine afflatus" without which no one becomes great, but we have no reason to believe that advertising men are in the same category as poets or that they must be inspired.

But there is an advertising "afflatus" that can be cultivated and it pays to cultivate it, because it bridges the chasm between mediocrity and superiority.

INVESTMENT EDUCATION.

The Standard Magazines Help Their Financial Advertisers.

"SUCCESS" Magazine, which has a circulation of more than 300,000, conducts an excellent department of information and advice on investment matters, edited by David Graham Evans, treasurer of the magazine. In fact, "Success" was the pioneer in this idea of educating the public through elementary articles on the purchase of sound securities. The advertisements of high grade bankers and bond houses appear side by side with the reading matter of this department in "Success." These advertisements are well worth studying, as the copy is usually very effective. Indeed, the publishers co-operate with the advertisers in making the copy as effective as possible.

N. W. Halsey & Co., New York, publish the following direct talk to business men:

Most business men of long experience have walked the floor in times of tight money when the pay roll hung over a depleted bank account. To guard against such emergencies we suggest a financial insurance, some form of reserve, to be begun and carried on in good times.

It is impracticable to keep such reserve in cash aside from the amount needed for immediate requirement. The experience of many years has demonstrated the utility of standard bonds for this purpose. In times of panic it frequently happens that standard bonds, immediately negotiable in any of the great financial centres, are found even more serviceable as a surely available reserve, than cash in a bank.

The maintenance of a safety reserve in bonds is widely practiced by financial institutions, many, indeed, confining their investments largely to this form of security. The plan has also been successfully adopted by numerous commercial houses. The experience of one of these concerns and the reasoning leading up to the adoption of the plan is reflected in a short magazine story which we have been permitted to republish in pamphlet form. Complimentary copy will be mailed, post paid, upon application. Ask for pamphlet F-18 entitled "Business Insurance." Bond offerings on request.

ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted for Comment.

OUR attention has been called to another deadly parallel as shown in the accompanying emblem cuts. We do not assume any responsibility in this matter nor do we know anything about the merits of the case, but this is the statement sent us by W. W. Potts, Secretary and Treasurer of the Federal Title & Trust Co.:

In the August issue of The Bankers Magazine, we note the comment of an officer of the Old National Bank of Spokane, Wash., with reference to the use of the design of its statement cover by another bank. From the same issue we clip the following cut of a Washington, D. C., institution, organized in 1907, and also submit the trade mark of this company used since 1904:

Who Saw It First?

We do not claim originality in the design of our trade mark, as the idea was taken from the one dollar silver certificate, with some changes and additions, but wish to "note in passing" that "imitation is the sincerest flattery", and we feel gratified that our friends in the East see some significance in our advertising efforts and have followed the footsteps of a country banker in this matter.

This "In the Swim" cut would do better for a bathing suit ad. than for that of a bank. The cut is one of a series of "syndicate" or "stock" cuts prepared by R. F. Outcault, the creator of "Buster Brown." There is nothing against the picture. It's attractive enough—just a little too frivolous for a bank, that's all. We think "Buster" had better make one of his "Resolveds" to the effect that he will not let any more banks have this cut.

"I read it in the story-book that, for to kiss his dear,
Leander swam the Hellespont,—and I will swim this here."
Oliver Wendell Holmes.

The Merchants National Bank of Houston, Tex., says in one of its ads.:

> Put your spare bills in our bank.
> Let them draw interest.
> Then you can draw some of them for the pressing bills that no man can dodge and have some left.

Like the advertisement commented upon in the preceding paragraph, this depends for its effectiveness upon a pun, or a play upon words, which is a mighty poor dependence indeed. That sentence, "Then you can draw some of them for the pressing bills that no man can dodge and have some left," illustrates the importance of clearness. As it stands the sentence is ambiguous. You can draw the conclusion

after reading the sentence, that the writer means that there are certain pressing bills that no man can dodge and have some (money) left, whereas it would be more natural that the more bills a man dodged successfully, the more money he would have left. The idea the writer of this ad. evidently meant to convey was this: "Then you can draw out some of your cash to pay pressing bills, and, after you have done that, you will still have a reserve fund in the bank." But it is no use trying to remake this ad. The only way is to cut its tail off right behind the ears and get a new one.

The advertisement headed "Do You Live" would be more worthy to live itself if it were made over. It needs a better head for one thing. Then that box of pills on

Do You Live on less than you earn?

Do you need money for doctors' bills sometimes?

Accidents and old age are as certain as death and taxes.

Making mistakes is easier than making good.

Start a bank account. *DO IT NOW.*

Let us help you to make your savings grow—compound them twice a year.

Look over our list of business men as directors.

Come and talk to our officers.

Citizens Savings Bank

A Goose Egg Ad.

the side could be dispensed with. Pure white space would be better than that row of ciphers. Then the ad. is too disjointed. As the boy said who started out to read the dictionary, it is interesting but not very connected. A logical argument leading to a definite conclusion and leading the reader to do some one thing is better.

THERE'S A REASON.

This is not a Postum Ad. but a Good Talk on Why a Bank Should Advertise.

"THE South San Francisco Banker" is the name of a good monthly house organ issued by the Bank of South San Francisco and edited by Cashier C. F. Hamsher. The August number contains this talk on bank advertising:

For many years there was a prejudice on the part of bankers themselves against their advertising. They argued that it was all right for a merchant to advertise his stock of goods because he had them to sell, but that for a bank to advertise would make it seem as if the bank doing it was hard up and needed money. But that feeling of the part of bankers has changed during the past five years.

A few banks which advertised have failed. More have failed which never advertised, and the best advertised banks have best stood by their customers at all times through thick and thin.

A merchant advertises because he has something to sell—to exchange for the dollars of his customers. He sells goods to make a living; he charges the customer a little more than the goods cost him; the profit is what he has to live on.

When the Editor took the cashiership of this bank last October, it had not been the policy of the bank to advertise. The bank was but a little over two years old, and two-thirds of the people living in the vicinity had never been inside its doors. Many of the people living in the vicinity of South San Francisco, Colma and San Bruno did not know what we did. Of course, in a general way, it was known that we would take deposits and keep them. A few supposed in a general way that we occasionally loaned money; others knew when they wanted change for a ten or twenty they could get it at this bank, but there were a lot of things we wanted the public to know about us.

We took the cashiership on Saturday, October 26. On Monday, October 28, all of the banks in the large cities—New York, Chicago, St. Louis, Denver, San Francisco—and most of the small towns, quit paying out cash on checks.

In the town of Missouri, from which the Editor came the three banks there limited the amount of cash they would pay any depositor wanting to draw his money, to ten dollars at one time, and to twenty dollars per week.

Savings banks in San Francisco and elsewhere required savings depositors to give ten, thirty, sixty, ninety days, and in some cases six months' notice of intent to withdraw deposits.

The new cashier felt that he had taken hold of a bank at an unfortunate time for himself. Public confidence was shaken. Frightened depositors went to banks and demanded their deposits. Runs were started; a number of banks were forced to close temporarily, the large majority of which have since resumed or paid off depositors in full.

Some depositors of the bank of South San Francisco became alarmed. Several times someone was unkind enough to say untrue things about it. But every morning it opened regularly at ten o'clock and stayed open until three, except on Saturday, when it closed at one.

Every person who had a deposit and wanted it, got it. Some great excuses were offered by our friends who did not want to show their uneasiness. We soon learned, however, that when one wanted to "buy a lot," "make a payment on a contract," "pay a bill," "lend it to a friend" or "take a trip," that it was just an excuse.

Cheerfully we paid all, never asking for any notice of intent to withdraw savings deposits; never forcing clearing-house certificates on anyone; suggesting in all cases that we would appreciate another deposit account soon; in a few cases telling the depositor to "come back" after he or she "got over the scare," and most of them, we are proud to say, have come back.

Between the last week in October and January first, thirty-four thousand dollars ($34,000) of deposits were drawn out of this bank, decreasing our deposits that much.

And then we began to advertise after a plan which we had worked out, and from January first to August fifth our deposits

have increased sixty-two thousand dollars ($62,000).

Why do we advertise?

Because it brings us more business. The larger deposits we have, the more money we have to lend to people to help them build homes and to carry on business. At the present time we are helping, directly and indirectly, eighty-nine people in South San Francisco, San Bruno and Colma, to build homes for themselves.

We advertise because we have a safe bank; because it is safer for people to put their money in here than to carry it around with them; because we can sell them money orders payable in the United States, Europe, Asia, Africa, Australia—anywhere; because a good bank is a necessary institution of every growing community and because the more people know about this bank the closer will be our business relations. We are always willing to explain any business matters to our friends. We are here to serve the people.

Just as a good workman takes pride in turning out a good piece of work, so we take pride in building up a good, safe banking institution.

The growth of a community is reflected in the growth of its bank and the growth of the bank speaks well for the worth of the community.

ANNOUNCE YOUR PLATFORM.

It Does No Harm To Let The Public Know Where Y u Stand.

THE Fort Scott (Kan.) State Bank publishes a leaflet containing the following:

The city of Fort Wayne, Ind., which has 50,000 population, boasts that it never had a bank failure. It was there that Hugh McCullough began his banking career, and it is possible that the conservative banking methods followed by him in those early days of Fort Wayne have had an abiding influence and account in a measure for the distinction now boasted. Only two banks went through the panic of '57—in wildcat currency days—without suspending specie payments. One of these was the Chemical Bank of New York and the other was Hugh McCullough's State Bank of Indiana. Mr. McCullough afterward became Comptroller of the Currency, and still later was promoted to be Secretary of the Treasury, and left an honored name among American financiers. He left behind him an account of the difficulty he had as president of the State Bank of Indiana in making its officials and directors understand that they were not to be privileged borrowers from the institution. They had pretty much all been living in the idea that a bank's first function is to accommodate its own managers. He drove that notion out of the institution effectively; and years afterward, in writing of the rule that lenders and borrowers cannot safely be the same persons, said: "Bank failures are invariably the result of a disregard of this rule. No bank in the United States, the capital of which was a cash reality, and whose managers were not thieves or the borrowers of its money, has ever failed."

Our Policy.

No loans to any officer or director.

No officer or director allowed to overdraw his account.

No officer or director accepted as security on any loan.

No excess loans made in any case.

Overdrafts kept to the minimum.

Officers and clerks bonded by a corporate surety company.

Every officer and employee of this bank is in duty bound not to divulge information concerning the business of its customers.

If a bank conducted along these lines appeals to you, we should be more than glad to open an account with you—assuring you that no account is too large for us to handle safely, and none too small to be warmly welcomed.

The Bank of Cleveland does a similar thing by printing a leaflet entitled "The Bank of Cleveland Idea." It reads as follows:

ARTICLE I.

Of the By-Laws Restricting the Operations of the Bank of Cleveland.

Object and Restrictions—In addition to the legal restrictions of the Savings and Loan Act of the state of Ohio, under which act this company was incorporated, the following statement of the object of the Bank of Cleveland Company and limits of its operations are hereby included in and made a part of the rules, regulations and by-laws of this company, to-wit:

The Bank of Cleveland Company is organized for the purpose of conducting strictly a banking business of, for and by the citizens and institutions of the City of Cleveland and County of Cuyahoga, Ohio.

It shall receive commercial and savings deposits and shall make loans on first mortgage real estate security, and on good collateral and commercial paper in Cuyahoga County only, under the direction and approval of its Finance Committee.

It shall in no event invest any of its capital, surplus or deposits in purchasing bonds, stocks or other securities, nor shall it lend any money on call in the City of New York or elsewhere outside of the said County of Cuyahoga, Ohio.

That's the Idea.

WALL STREET ADVERTISING.

The Mail Order Journal Thinks It Is Stupidly Done.

"THE Mail Order Journal," which is an aggressive advertising publication and not always exactly lady-like in its criticisms, has this to say about some Wall Street advertisers:

One would suppose that in Wall Street where men, if they are to succeed, must be made out of the keenest intellect or otherwise they will go down in the battle of life, crushed by far more sharp-witted minds, the value of advertising would be well understood. Yet, there it seems to have been very much neglected.

The bankers and brokers who constitute the Wall Street district and whose business in the aggregate runs each year into the billions, judging by the way they advertise, seem to look upon it as something that must be done to please persuasive solicitors rather than spending money to get back business.

The corporations, whose stocks are generally held by the public, usually advertise a notice when they declare a dividend, yet, it may be a matter of surprise to the public to know that some of these corporations have never changed their list of papers for years. Such a thing as circulation is never considered. If a paper is once on a dividend list, it will stay there until the paper is dead or the corporation has ceased paying dividends. That a paper has ceased to exist would never be known to some of them, were it not for the advertising agent making this fact known to the company's secretary.

The great New York banks are about the most foolish advertisers there are, considering some of their publicity.

However, there are a few houses on Wall Street who do intelligent advertising. These houses, although in the minority, are the ones which are growing in importance for no other reason than that they weigh circulation carefully, produce intelligent advertising and as a result get the business.

SAVINGS BANK INSURANCE.

Massachusetts Gives Its Banks an Advertising Talking Point.

MASSACHUSETTS has authorized the savings banks of the Commonwealth to issue policies of insurance and annuities, in order to give the wage-earner an opportunity to get an old age annuity and insurance at the cheapest possible price consistent with safety.

Naturally, the Massachusetts savings banks are making the most of this feature in their advertising. A stock booklet which is being used by the Whitman Savings Bank and other savings banks in the State is entitled "Who Will Pay Your Wages When You are Old and Gray?" It is a very well written exposition of this cheap insurance and money saving plan, containing tables of the "Insurance and Annuity", the "Whole Life" and the "Endowment" policies.

The booklet starts off thus:

There are three things that every man should do.

First:—Save enough money to take care of himself in his old age.

Second:—Save enough money to take care of his family in case he dies.

Third:—Save enough money to take care of himself and family in case he or one of the family is sick.

By means of the Savings Banks you have been able to save money for object No. 3, but what about the other two?

There is only one way by which you can do both of those things at one and the same time. That is by buying an insurance and annuity policy, and the only place for wage-earners to get such a policy is in one of the Savings Banks of Massachusetts.

Further information about this plan is obtainable from the State Actuary, 161 Devonshire st., Boston.

SOUVENIR BOOKLETS.

Pittsburgh's Sesqui-Centennial Gives Occasion for Good Publicity by Local Banks.

THE one-hundred-and-fiftieth anniversary of the founding of Pittsburgh is being celebrated this year, and a number of banks in that city have issued especially handsome booklets in connection with the anniversary. In addition to the booklet of the Bank of Pittsburgh, N. A., referred to elsewhere in this department, we have received booklets from the Mellon National Bank and the Union Trust Company of Pittsburgh.

The Mellon booklet contains an interesting series of pictures showing the site of Pittsburgh in 1754, 1758, 1791, 1817, 1859 and 1908, successively. The Union Trust Co.'s booklet is entitled "Industrial Pittsburgh," and is one of the handsomest bank booklets in our entire collection. It is superbly illustrated and well written and printed—altogether a good mixture of brains and printer's ink.

The official history and programme of the sesqui-centennial is edited by Edward White. It is likewise a splendid piece of work. A collection of these 1908 souvenir booklets gives one a fine idea of "the greatest industrial mart on the face of the globe, with a payroll of a million dollars a day."

The Real Estate Trust Company of Pittsburgh issued a finely illustrated special number of its monthly house organ, "The Shield" in honor of the Sesqui-Centennial.

THE PSYCHOLOGY OF ADVERTISING.

A Splendid New Book by Professor Scott.

"THE Psychology of Advertising" is the title of a new book by Walter Dill Scott, Ph.D., director of the Psychological Laboratory of Northwestern University, which ought to be in the hands of every person who cares whether or not his advertising brings returns. It is interesting and practical.

The book is a simple exposition of the principles of psychology in their relation to successful advertising and is a summary of the investigations along this line upon which Professor Scott has been engaged for a number of years. It is a practical attempt to apply science to business in a new way. For a long time scientific knowledge, as far as it relates to mechanics, chemistry, etc., has been an all important factor in commercial progress, but it is only recently that the science of mind has been applied to business, except unconsciously. We say that

advisedly because some of the shrewdest advertisers make use of the principles of psychology successfully and do not realize tnat they are doing so. They call it "appealing to human natur?, common sense," etc.

In his book, Professor Scott has proved that psychology is not of interest solely to pedagogical students. He makes it a handmaid of business. The scope of the work is indicated by the chapter titles which are as follows: "Introduction"; "Memory"; "The Feelings and the Emotions"; "Appeals to the Customer's Sympathy"; "Human Instincts"; "Suggestions"; "The Will"; "Habit"; "The Habit of Reading Advertisements"; "The Laws of Progressive Thinking"; "Attention Value of Small and of Large Spaces"; "Mortality Rate of Advertising"; "The Psychology of Food Advertising"; "The Unconscious Influence in Street Railway Advertising"; "The Questionnaire Method Illustrated by an Investigation upon Newspapers"; "Bibliography of Advertising."

The book is a handsomely bound and well printed and illustrated volume of 270 pages. The price is $2. It is published by Small, Maynard & Co., and the Bankers Publishing Co., 90 William street, New York, will forward it upon receipt of price.

ADVERTISING LITERATURE.

THE Outing Press publishes a weekly advertising journal called "Brains", which contains a good deal of matter of value to all advertisers. Bound volume 30 of "Brains", the issues for January to June (inclusive), 1907, is sold for $3.00, and is well worth the price to any advertiser or student of advertising as it contains the boiled-down results of the best work of America's highest priced advertising men. While the book deals largely with retail advertising problems, it is of interest to the financial advertiser because many of his problems are the same as those of the retail advertiser. One of the best features is the reproduction and criticism of 968 advertisements. The Bankers Publishing Co. will procure this book for you upon receipt of the price.

Salesmanship is telling 100 per cent. of truth in an interesting, plausible and convincing manner about the article that is being sold. A good salesman does not need to go outside of his business to be interesting. He cannot afford to impair confidence by making statements that the thing he is selling will not "make good."

Repeat orders are what establish a business. They come only from confidence maintained.—Mahin's Messenger.

Mr. Arthur Brisbane, editor of the New York Journal, recently made the following statement:

This will be an interesting story if well told. Don't color it. Life itself is vivid enough without any added tints. Just tell it as it is. Facts need no dressing.

In an address on newspaper making and newspaper writing he said: "There is no such a thing as literature. Just telling the facts is all that is necessary. I have never understood why a man should have any trouble in expressing his meaning. All you need to tell is just how you feel. If I hit you over the head you would have no trouble in telling me what you think of my action."

In contrast read the advertisements of most mail-order advertisers and of certain general advertisers who try to get into communication with the readers of their advertisements. They do not essay to play the clown for the public amusement. They do not give a suspicion of slyness in their words. Nor do they state their proposition so coldly as to repel. They talk business from the start in a frank, sincere manner, and make their offer so cordial and so urgent as to be almost irresistible.

The copy of general advertisers of this type tingles with life, energy, and, above all, interest in their prospective patrons. They seem to be anxious to do something for those who will use their goods. They seem to say, "Here is something that you ought to have. We cannot tell you in this short space all its good points. We would like to show it to you personally. It is no trouble at all. We are busy, but we have nothing at hand at present quite so important as getting YOU started right. We do not want to sell our article to you. You can get it of your dealer, but he has not the time to make you familiar with it as we can do. We would like to meet you, anyway, even if you are not ready to buy now."

An advertisement which seems to breathe that sort of spirit is bound to have a better effect upon a flesh-and-blood man or woman with social instincts and sympathies than an abstract catalogue of the excellencies of the advertised article.

It is the reflex influence, therefore, upon the advertiser himself which I urge as the chief value of copy offering further information than that which is contained in the printed advertisement. The securing of valuable mailing lists, the opportunity of still further nursing along the interest in your goods which the advertisement itself has caused to spring up, the opportunity afforded of comparing the responsiveness of the various mediums you are using—these are all valuable, but they are subordinate to this great influence upon yourself and upon the tone and effectiveness of the copy which you write.—O. C. Harn in "Batten's Wedge."

"IN THE YEAR 1810."

THE Bank of Pittsburgh, N. A., has recently issued a neat and attractive booklet entitled "In the Year 1810". The illustrations are unique, showing old articles of use and the crude ways of a hundred years ago. A full page view of the city in 1810 is given. The Bank of Pittsburgh, N. A., is the oldest bank in

the United States west of the Alleghany Mountains. It was in existence when William the Fourth was King of England and Napoleon reigned over a large part of Europe. It is the only bank in the United States that has existed for ninety-eight years without suspension of any kind.

The booklet contains three different pictures of The Bank of Pittsburgh, N. A., showing the first building occupied in 1810, the second home of the bank from 1831 to 1894, and the magnificent building it now occupies at 226-230 Fourth Avenue.

BANK AD MEN MEET.

Pittsburgh Advertisers Have an Informal Dinner.

PRACTICALLY all the members of the Bankers' Ad Association of Pittsburgh attended the informal dinner given on the evening of September 17 at the Seventh Avenue hotel in honor of E. St. Elmo Lewis, advertising manager of the Burroughs Adding Machine Co., a Detroit corporation, who made an address on the manner in which financial institutions should advertise. President of the Association A. D. Sallee, of the Corporation Securities Co., acted as toastmaster and several short addresses were made in addition to the address of Mr. Sallee.

In his address Mr. Sallee gave many valuable hints regarding the most effective way in which the affairs of financial institutions should be made known through advertising methods.

SCARE 'EM A LITTLE.

How Some Banks Warn Against Tempting Fate by Not Depositing Money.

THE First National Bank of Napa, Cal., recently published this advertisement:

THE BURGLAR MAN.

His origin dates back to the time of Adam, and his species will never die. He is always with us.

There is no protection in locked doors, policemen or secret hiding places. They are merely slight precautions.

Precaution does not always afford protection, as a woman in San Francisco found out only a week ago.

She had drawn all her money from the bank at the time of the financial flurry. It amounted to $1250, the savings of years, and had since been kept carefully secreted in the house. When the family returned home after an evening at the theatre, the overturned condition of the house bore witness to the thoroughness of the thieves' search, and the money, together with some jewelry and a small bank containing $175, had disappeared.

The First National Bank in Napa with its modern safes, electric burglar alarms and burglary insurance, offers depositors absolute protection,—with the bank's business under Government supervision and inspection.

Safe deposit boxes for rent. $2.00 per year.

The Federal Title & Trust Co. of Beaver Falls, Pa., recently ran this ad.:

PROFIT BY THE EXPERIENCE

of others. Every day you will read in the newspapers about some one who has lost the savings of a life time through fire or robbery.

Profit from their experience and keep your savings in this bank, where your money is secure and where you are certain to receive four per cent. interest.

We welcome small accounts as cordially as larger ones for we sincerely desire to help the small, earnest saver.

The Houston National Bank of Houston, Tex., headed one of its recent advertisements like this: "WARNING! Keep Your Money in a Safe Place. Keep it in Our Savings Department." As part of the ad. the following news item was reproduced.

LOSES MONEY IN A FIRE.

Fear of Bank Safety Caused Woman to Keep Cash at Home.

Two cottages on Congress avenue, east of the International and Great Northern railroad tracks, were burned to the ground between 9 and 10 o'clock last night. The fire was discovered in one of the houses and an alarm was sounded from Box 25, but by the time the department reached the place both houses were in flames. The flames were prevented from spreading to adjoining houses and an effort was made to save one of the cottages. Both families lost all of their furniture.

The fire originated in cottage No. 2518 Congress avenue while the family was away from home.

One occupant sustained probably the most severe loss. Besides her furniture, she claims that she had between $600 and $700 in money secreted under the carpet in one of the rooms. She stated to a newspaper representative that the recent bank troubles caused her and her husband to keep their money at home.

Other such news items used in bank advertising are as follows:

Minneapolis, Minn.—Minnie Brown, chambermaid at the Vendome Hotel, was singing blithely today when she entered a room to put it to rights. Under the pillow she found a bustle, which surprised her, as bustles usually are put in the left-hand drawer of the dresser.

She pried the bustle open and found $450. Honest Minnie turned the bustle over to the hotel clerk and soon afterward the former occupants of the room telephoned in and anxiously inquired if anything had been found.

In spite of their happiness in regaining

the bustle and its contents, they left Minnie to believe that virtue is its own reward.

Lehigh, Ia.—Sixty-five dollars—that is what George Cunningham, of Lehigh, got from Uncle Sam in exchange for his pile of ashes representing a $4,000 bonfire of paper currency. Cunningham withdrew his roll of $4,000 and deposited it in an old, unused stove. His wife wasn't aware of the hiding place, and one morning she started a fire in that treasure box with disastrous results. Cunningham saved the heap of ashes carefully and expressed them to Washington with a plea that they be redeemed. He has just received $65 from the treasury department, all that was allowed him.

Bridgeport, Texas.—Mrs. Hugh Pyland had $25 saved to pay the installment on the little home which she is buying. She wrapped the bills up in a piece of paper, and afterwards forgetting it, threw the paper containing the money in the fire and it vanished in smoke.

Bloomington, Ill.—Charles Laudet, a second-hand goods dealer, hid $960 in a tool chest in one of his storage rooms. Recently he discovered that a thief had found his hoard and carried it off.

$200 In Gold Was Melted In the Fire.

Linton, Ind.—Two hundred dollars in gold, which had been saved and placed in a condensed milk can, was melted at the fire which destroyed the home of James Harper. The house and contents were also destroyed and the loss to property will be $500, with no insurance.

ROBBERY DREAM COMES TRUE.

Evansville Man Awakes to Find Money Gone From Shoe.

Evansville, Ind.—After dreaming there were burglars in his room last night, George Pfegge awoke this morning to find he had been robbed of $50. The money had been placed in a shoe under the bed.

CONVICT TELLS DEATH STORY.

Eleven Year Mystery May Be Solved by Prisoner's Confession.

Bellefontaine, O.—After eleven years the mystery surrounding the murder of aged David Detrick and his wife in this city may be solved through alleged admissions made by a convict in the California State Penitentiary, whose name is withheld. Recently Logan county officials went to the coast, and it was to them, it is said, the alleged confession was made.

The mutilated bodies of Detrick and his wife were found in their home by a daughter, August 11, 1897, an ax having been used. The house had been robbed. Although several arrests were made the guilty persons were never brought to trial.

HELPLESS WOMAN RECLUSE ROBBED OF HER FORTUNE.

Money Is Dug From Under Front Porch of Her Home Down In Arkansas.

Marshall, Ark.—A message received here states that Miss Amanda Brixey, a recluse living near Snowball, Searcy county, has been robbed of $12,000. Robbers dug the money from under her front porch. She lives alone, but was ill and had been taken away from her home for treatment. It was generally believed that she had considerable money concealed, and when she left the house the robbers investigated. When informed she had been robbed she arose from her sick bed and hurried home. From among the rubbish in the smokehouse she removed an old kettle containing much gold and took other money concealed elsewhere.

Watch the papers in your community and make use of such items as these occasionally.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THE Citizens National Bank of Raleigh, N. C., has adopted a triangular emblem in the center of which appears the swastika symbol. The bank has an attractive card bearing this emblem in gold ink and giving a brief account of the swastika, the popular good luck symbol.

The Union Savings Bank of Vicksburg, Miss., heads one of its recent ads. "Would You Throw Away $1,000?" and develops the idea thus:

The man who could save and bank $5 per month and doesn't do it is throwing away $60 per year—the gross earning power of $1,000 at 6 per cent. interest.

Safe investments which annually pay 6 per cent. net are not so plentiful as they used to be.

Why not start an account with us and conserve this "$1,000 earning?" You can open an account with a $5 deposit, or even less. Come in and let us talk over the matter.

Mr. H. A. Dalby, Teller of the Naugatuck (Conn.,) Savings Bank writes us:

I must compliment you and thank you for the articles on advertising which have appeared in the columns of the Magazine. They cannot fail, I think, to be of great help to those interested in the subject. I will say that if I have learned anything about it it has come from those articles.

I am sending you herewith samples of my first attempt at ad. writing, thinking perhaps they will be of interest to you in the way of criticism, whether favorable or

otherwise. The small blotters have been placed in the hands of every one of the children in the schools.

I am also enclosing our check for one dollar, for which you will please send me a copy of Mr. MacGregor's book, "Pushing Your Business."

The copy on the blotters is very good indeed. The matter is sensible and well arranged. One of them reads as follows:

Vacation is Over.

HOW

about your bank account? Of course, this is no one's business except your own, but we wonder if you have given

MUCH

thought to this important subject. The question is not so much what you earn in a year as what you

HAVE

left. Did you ever wish you had begun to save 10 years ago, or 20 years ago, and try to figure out what

YOU

would have had by this time? Let us do a little figuring for you. That's our business. If you had

SAVED

a dollar a week for the last five years, you would have to-day nearly

THREE HUNDRED DOLLARS.

Four Per Cent. Interest Helps Wonderfully.

NAUGATUCK SAVINGS BANK.

This bank also issues a vest pocket trolley time card and ties it up to the bank in this way:

You get a big nickel's worth of pleasure from a trolley ride, but did you ever try putting a nickel a day in the

Savings Bank

and see how it grows? In five years, with 4 per cent. interest, it amounts to more than

One Hundred Dollars !

As a part of a very attractive statement folder recently issued by the Carnegie Trust Company of New York, appears this interesting table showing the growth of the company in less than two years:

1907.

	No. Accounts.	Resources.
January	000	$1,500,000
February	234	2,962,000
March	362	3,312,000
April	565	4,185,000
May	855	6,741,000
June	1,028	7,241,000
July	1,142	8,505,000
August	1,243	10,710,000
September	1,344	9,853,000
October	1,398	9,928,000
November	1,408	9,493,000
December	1,453	10,106,000

1908.

January	1,490	10,201,000
February	1,552	9,023,000
March	1,602	8,692,000
April	1,754	8,110,000
May	1,909	9,429,000
June	2,145	10,225,000
July	2,316	10,585,000
August	2,612	12,195,000

In regard to the poster "The Strength of a Bank," reproduced herewith, C. B. Hazlewood, advertising manager of the Union Trust Co. of Chicago, writes:

I am sending you under another cover for your inspection a copy of a poster, "The Strength of a Bank," which we have hung up in our banking rooms and in our windows to attract passerbys.

I am candid in saying that the art work on this job isn't much. But the card has answered its purpose and provoked considerable comment.

We think there is too much matter on this card for an 11x16-inch poster. It appears crowded. Less matter or more space would improve it by making it more readable. The copy itself is excellent— thoroughly logical and sensible.

W. J. Kommers, Assistant Cashier of the Old National Bank of Spokane, Wash., writes as follows:

Enclosed we are pleased to hand you a mailing folder being sent out by the Union Trust Company of this city, to a select list of names chosen from our city directory.

This folder is intended merely as a unique reminder, bearing a short message of its Safe Deposit equipment, and as such it is proving the most effective bit of advertising used in this department.

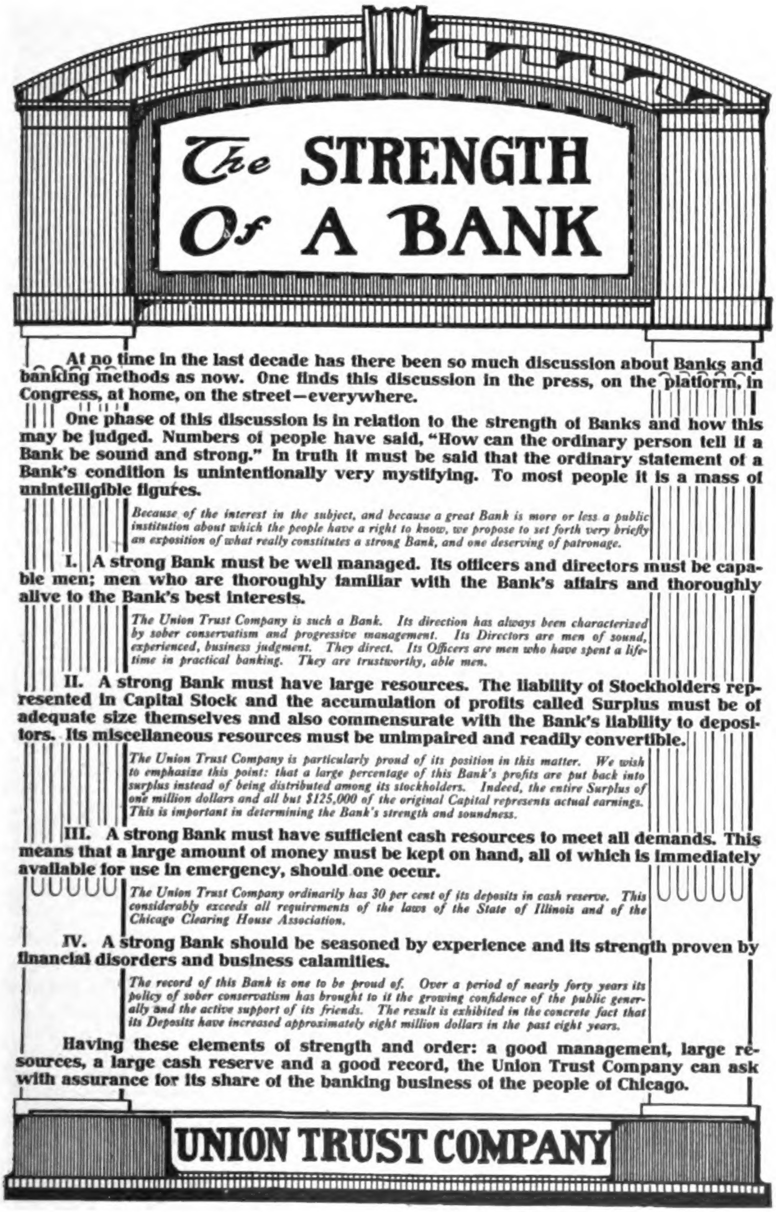
Since Bank and Trust Company publicity is receiving such widespread attention, and everything pertaining to the subject is eagerly absorbed by the most enterprising bankers of the country, I thought perhaps you would care to make reference to this folder in your valued magazine.

Your readers would no doubt be doubly interested to know that ideas of this character can be worked out by bank men after banking hours, and those possessing talent in this direction will find that it not only is a most relaxing and fascinating occupation, but is a great aid to their printers, and in the end a substantial saving in the advertising expenses of a bank or trust company.

I enclose furthermore a few booklets issued by this bank and the Union Trust Company (allied institutions) whose advertising campaign the undersigned has in charge.

The folder referred to is what printers call a "cut out" job. A page of the folder represents the front of a safe deposit vault, and a round flap, representing the door to the vault, opens out and reveals a photographic view of the interior. The side of the folder that is used for the address bears the words "The Armored Guard" and a picture of a knight in armor. The booklets referred to have already been favorably commented upon in this department.

The First National Bank of Napa, Cal., continues to do some of the best financial advertising that is being done in the State. Cashier E. L. Bickford has charge of the advertising. Large space is used in the newspapers and it is filled with good educational copy. Some of the ads. submitted



A Poster Advertisement.

are too full we think. The matter is all right but would perhaps be more effective if fed in smaller doses.

Another California bank that is up-to-date in its advertising is the American National of San Francisco. In its financial letter of August 25th it publishes these interesting crop figures:

By way of showing where California's winter spending money is coming from, here are a few items from the credit side, of 1908 products now being sold and shipped out of the State:

$6,000,000 worth of canned peaches.
$2,300,000 worth of canned apricots.
$2,000,000 worth of canned pears.
$1,700,000 worth of other canned fruits.
$3,000,000 worth of canned vegetables.
$2,500,000 worth of prunes.
$2,000,000 worth of dried peaches.
$2,500,000 worth of dried apricots.
$4,500,000 worth of raisins.
$2,500,000 worth of other dried fruits.
$4,950,000 worth of fresh fruits.
$4,000,000 worth of barley.

And, apropos of crop reports, that was a splendid compilation of data on crops and general business conditions gotten out a few weeks ago by the Commercial National Bank of Chicago. This is the eighth annual report the Commercial National has published and is a review of conditions as they were seen by some 4,000 bankers and business men. In general, the reports are favorable, though naturally not as favorable as in some previous years. There is just one criticism to be made concerning the arrangement of the report and that is it would be much better to have the subheads indicate what the situation is. That is, instead of repeating under each state the words "Banking and Business Conditions", use a head telling what those conditions are, just as the headlines in a newspaper article inform the reader what to expect in the text matter. However, this is merely a technical criticism and does not detract from the value of the work itself.

Marwick, Mitchell & Co., chartered accountants, of New York, have issued several booklets containing their advertising matter, among them the following: "Bank Directors," as discussed by W. B. Ridgley, former Comptroller of the Currency; "Cost Accounts," by James Marwick and the text of the emergency currency law.

The Penobscot Safe Deposit Vaults of Detroit, Mich., have begun to advertise the plan of safe deposit by mail. Newspaper space and a booklet are being used.

New Emblem Planned and Prepared for the Quincy (Ill.) National Bank by the Publicity Department of the Bankers Publishing Co.

Here's another one from our optimistic friend Ed. T. Kearney of the Bank of Dakota Co., Jackson, Neb. It's a form letter sent out to the customers of that bank on August 1st:

To our friends:—The writer has a new degree—self given. Not M.D. or D.D. or LL.D. or D.D.S.—just plain, simple T.D. Can you interpret it? TROUBLE DOCTOR—that's all. Easy? He just simply wishes to doctor your troubles, smooth the ruffled seas of life and promote peace, prosperity, harmony and happiness, among the best people on earth—his customers. All done free, too. A trifle different when you go to law. There—everybody loses, but the lawyers and court officials. He wishes you to be GOOD (and you will be happy). He believes there should never be a dispute between FAIR persons or nations, that could not be settled by arbitration. So the next time you feel like using a club or the law on another, think twice and call on the T.D. instead. Then HE gets busy, and if the other fellow is as fair as you, your three heads go together and presto-change, the trouble's settled, everybody's happy and starts a new leaf. Think of the money, time and annoyance saved this way. Why, if the T.D. had a dollar for every dispute and quarrel he has settled the past twenty-two years—but that's ancient history and it is the NOW and the TOMORROW that counts. The T.D. will not "butt in," so you will have to "shout first." He's getting to feel his oats as a T.D.—not the best ever, but runs up against mighty few cases he does not help. At least "if he does you no good, he'll do you no harm," and the cure, or its trying, is absolutely free. You will find him at "The Bank that ALWAYS treats you RIGHT" most of the time, where he endeavors to practice what he preaches. He wishes and asks you, one and all, to practice the time good old GOLDEN RULE (revised) "Treat everybody RIGHT and they will treat you RIGHT." This has been his experience here, the past twenty-two years, WITHOUT EXCEPTION. It surely works like a charm.

So, smile everybody, be good—do good and everybody will be happy.

Very truly yours,

ED. T. KEARNEY, T.D.

"The Bank that ALWAYS treats you RIGHT." Bank of Dakota County, Jackson, Nebraska.

The Fort Sutter National Bank of Sacramento, Cal., embellishes its statement folder with cuts of old Fort Sutter and its new six-story building and lays claim to the spirit both of "pioneer pertinacity" and of "modern progress".

The Carnegie Safe Deposit Company of New York has gotten out a very attractive and interesting booklet describing its new vaults at 115 Broadway, which are said to be the strongest in the world. Part of the description of the vaults is as follows:

The Carnegie Vaults are the largest and strongest Safe Deposit Vaults in the world.

Built of steel that has withstood uninjured the impact of explosives in the most powerful form devised, they are designed to outlast conflagration or earthquake; are mob-proof, burglar-proof, fire-proof.

Armor Plate of the same specifications as provided for American battleships has been used. These plates are forged so that the entire structure is fastened together by a system of interlocking wedges, instead of bolts and rivets. The wedge ends and channels have a tensile strength of 1,440 tons a foot.

The armor plate is five inches thick, so hard that there is no tool of any sort capable of drilling it, and over the entire exposed

surface of the vaults there is no point at which this plate is pierced.

The weight of armor plate used is greater than the weight of armor on any American battleship afloat.

Entirely surrounding the armor plate is a fire wall of concrete twelve inches thick.

Underneath the vaults are ten rows of alternate layers of concrete and railroad rails, laid flange to flange, built up from the bedrock of Manhattan Island.

The gun-fire test of the armor plate demonstrated the power to resist a blow equal to 2,585 tons, falling upon each square foot. Were the entire weight of the structures clustered about the Trinity Buildings to fall, no injury would be done to these vaults.

The Carnegie Vaults comprise two stories, the lower vault being 108 feet long, 31 feet wide and 10 feet high, and the upper 85 feet long, 20 feet wide and 10 feet high.

As part of its follow up system the Real Estate Trust Co. of Pittsburgh sends out a booklet entitled "To succeed—save". A novel feature of the booklet is that it is printed in typewriter type lengthwise of the page. One of the form letters of this institution is as follows:

Dear Sir:—We trust that you have found our Business and Financial Primer to be a useful little reference book on business and banking matters. If you have examined this booklet carefully, you will discover some important facts about Real Estate Trust Company of Pittsburgh, as well as about general business topics. You will have learned that this institution affords to its depositors three times as great a margin of safety as the average Pittsburgh bank—and the average is high in Pittsburgh, as compared with other cities.

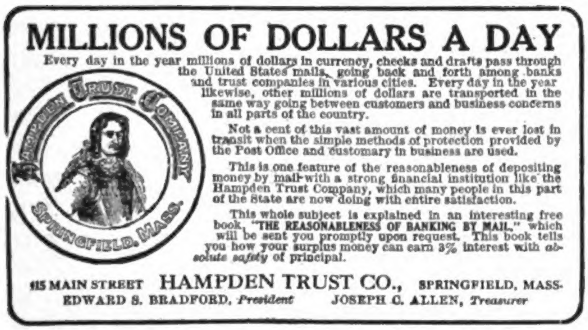
With our more than ample capital and surplus of $4,000,000.00, the money of depositors is safe-guarded beyond all possibility of loss. We pay interest on deposits, the rates varying between 2 per cent. and 4 per cent., according to the character of the account. With reference to interest on deposits, a personal interview or correspondence with our officers is cordially invited. Our terms are as liberal as can be offered by any wisely managed banking institution.

We will be pleased to hear from you.

Very truly yours,

REAL ESTATE TRUST COMPANY OF PITTSBURGH,

By W. S. Van Dyke, Secretary.



Banking by Mail Ad prepared by the Publicity Department of the Bankers Publishing Co.

The First National Bank of Hopedale, O., announced a new departure in the following letter:

Dear Sir:—For some time we have been racking our brain in an earnest endeavor to devise a new plan whereby our bank could be made more useful to the community, and it has occurred to us that it would be a great convenience to many farmers near Hopedale, especially in the busy summer months, if they had an opportunity to do their banking business on Saturday nights, say, from the hours of 6 p. m. to 8 p. m.

Of course such an innovation will mean longer hours, more work, and perhaps more expense to us, but we have always contended that a bank should be an institution to serve the people, and have never entertained the one-sided idea that it is an institution merely for the people to serve. We want no one to feel the least backward about asking any little favors of this bank for fear of the trouble it may cause us. We are not afraid of trouble—in fact, we always feel more than repaid for it if we know it is accommodating some one. Whether you are a customer of this bank or not, and wish to get a check cashed on some other bank, or get a bill changed, we will serve you as cheerfully as if you were making a deposit.

Beginning with next Saturday, August the eighth, this bank will be open every Saturday night from the hours of 6 p. m. to 8 p. m., and we want everyone, whether patrons of the bank or not, to take advantage of these banking hours, no matter what the nature of their business may be—whether it is to get a check cashed, to get a bill changed, to make a deposit, to borrow money, or to make the bank a meeting place to transact business with your friends.

While these hours are rather unusual for a commercial bank, yet if we find that they are an accommodation to the public, we will continue them permanently.

Very truly yours,

EDGAR G. ALCORN, Cashier.

We have received from Mr. M. W. Tobey, assistant cashier of the Germania National Bank of Milwaukee, Wisconsin, the following letter:

We have been reading with benefit articles on bank advertising in the Banking Publicity Department of your magazine.

We enclose herewith a copy of our latest

published statement, which as you will note is made to be sent out under one cent postage. We should like your opinion and such criticism as you may wish to make in the next issue of your magazine.

The statement-folder referred to is a very attractive one indeed. The noteworthy feature of it is the fall atmosphere which it conveys, the scheme being a reproduction of autumn leaves on a tint block underneath the type matter. On the cover is a particularly realistic representation of an autumn leaf and in one corner is a beautiful little sketch showing corn in shock and ripe pumpkins in the field.

This bank shows its good sense in securing the services of an advertising agency in the designing and printing of its advertising matter.

Assets and Liabilities *of the* HOME SAVINGS BANK *on the* 15th *day of* August, *190*8, *as found upon examination made by the direction and authority of the Superintendent of Banks.*

ASSETS.	Rate of Inv't.	Amount at Par.	Market Value Rate.	Market Value Amount.	Totals.
Bonds & Mortgages	5½				36 550
" " "	6				70 180
Bond Investments:					
New York City	3½	2 000	99.05	1 981	
Brookhaven Town	5	10	Var	10 619 40	
Glenville "	5	1 500	"	1 528 35	
Huntington "	4.25	12 500	101.87	12 733 75	
Mechanicsville Village	4.75	5 500	104.25	5 733 75	
Oneonta School District	4.50	12	101.18	12 141 60	44 737 85
Cash in Office				2 628 68	
" deposited in Banks & Trust Companies,				20 152 08	22 780 76
Accrued interest on Bonds & Mortgages				1 279 01	
" " " Bond investments				271 62	
" " " Cash deposited				154 86	1 705 49
					175 984 10
LIABILITIES					
Due depositors				171 865 70	
" " accrued interest				641 76	172 507 46
Surplus on market value					3 416 64
" " par value					2 178 79
" " amortised value					2 823 18

August 15 1908 M. W. Hutchins Examiner

Bank Department Certificate reproduced as an Ad.

The above cut was sent out to depositors with this statement:

The attention of our depositors is respectfully called to the above reproduction of the certificate of the New York State Banking Department, showing the condition of this bank as found by the bank examiner, August 15th, 1908. It will be noted that the market value of the bond investments and the surplus based on market values is considerably in excess of the figures shown on the regular report enclosed herewith.

THE HOME SAVINGS BANK, OF BROOKLYN.

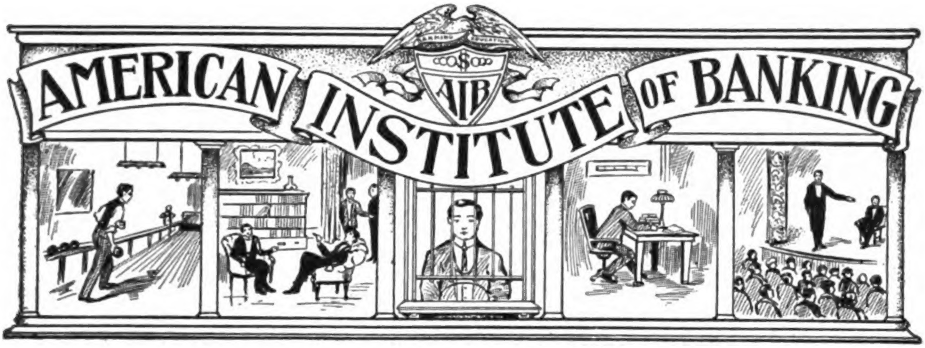
BURGLAR TRAPS.

A Burglar in the Coal Hole.

While the Watchman Was Away.

The Trap In Operation.

The article in the September magazine entitled "Burglar Traps of Country Banks" has inspired Ray Olson, the Chicago bank artist, to draw the three pictures reproduced herewith.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with The Bankers Magazine for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

BANKING AS A LIFEWORK.

Alexander Gilbert Thinks That While There Are Greater Opportunities In Strictly Commercial Lines, Faithful Work In Banking is Rewarded,

"IF I had my life to live over again I would choose a commercial rather than a banking career."

So said recently Alexander Gilbert former president of the New York Clearing House Association and president of the Market and Fulton National Bank, in conversation with a representative of the Bankers Magazine.

Now, at first blush, this does not have a very encouraging ring for young bankers, especially coming as it does from a man of Mr. Gilbert's caliber, one who has been conspicuously successful in this very line of business, which, nevertheless, he says he would not take up again if he were given another chance to begin his career.

But this distinguished banker is not really so pessimistic about the banking business as a life-work as his expression just quoted would seem to indicate, and it must be remembered that Mr. Gilbert, able, experienced, versatile, is a man who would have made a success of a strictly commercial career.

And he probably is aware of this fact.

"No sir," continued Mr. Gilbert, "when young men come to me for advice as to their calling in life, I don't advise them to go into banking if it is their desire to make the most of themselves as far as winning high position or material rewards is concerned. Years ago I refused my own brother a place in this bank. I told him there were better opportunities for him outside, and results have proved the wisdom of my advice.

"You ask me what the opportunities are to-day for young men in the banking field. I reply that, for the greatest success, a wide and sound commercial training is necessary. One must meet people, get into contact with men and methods. This cannot be done satisfactorily across the counters of a bank.

"It is a well-known fact that many men in high executive positions in the banking world were taken from other fields of activity.

"Banking is routine work to quite an extent. Bank clerks are in danger of getting into a rut—more so than clerks in many other occupations. This is something they must fight against constantly.

"I don't want to convey the impression that there is no opportunity at all in a banking career, but rather to emphasize the thought that the commercial world offers greater possibilities to young men of energy and capacity.

"There ARE opportunities in the banking field, but the best opportunity in the world will mean nothing if one is not prepared for it.

"What I like about the American Institute of Banking is that it helps young bank men to utilize spare time in study and work and thus prepare themselves for opportunities that may come to them. Some young men go into banking because they

think it is genteel and easy work with short hours. They are sure to be disappointed. They have neither the right idea of banking nor of business success.

"For young men who have definitely made up their minds to follow banking and are already in the work the sound business maxims and the truisms which apply in other lines of effort apply here also:

"Be faithful to your employer's interests.

"Be energetic.

"Be enthusiastic.

"Don't be afraid to do more than is expected of you, and so on."

Mr. Gilbert's contention is that young men with the character and ability to do well in banking would have a wider field and greater opportunities of growth and development in commercial business. Undoubtedly there is much truth in this view of the case. Nevertheless, there are many men who would be perfectly satisfied with a reasonable assurance that they could have congenial employment and the prospect of a competent salary for life.

ALEXANDER GILBERT
President Market and Fulton National Bank, New York.

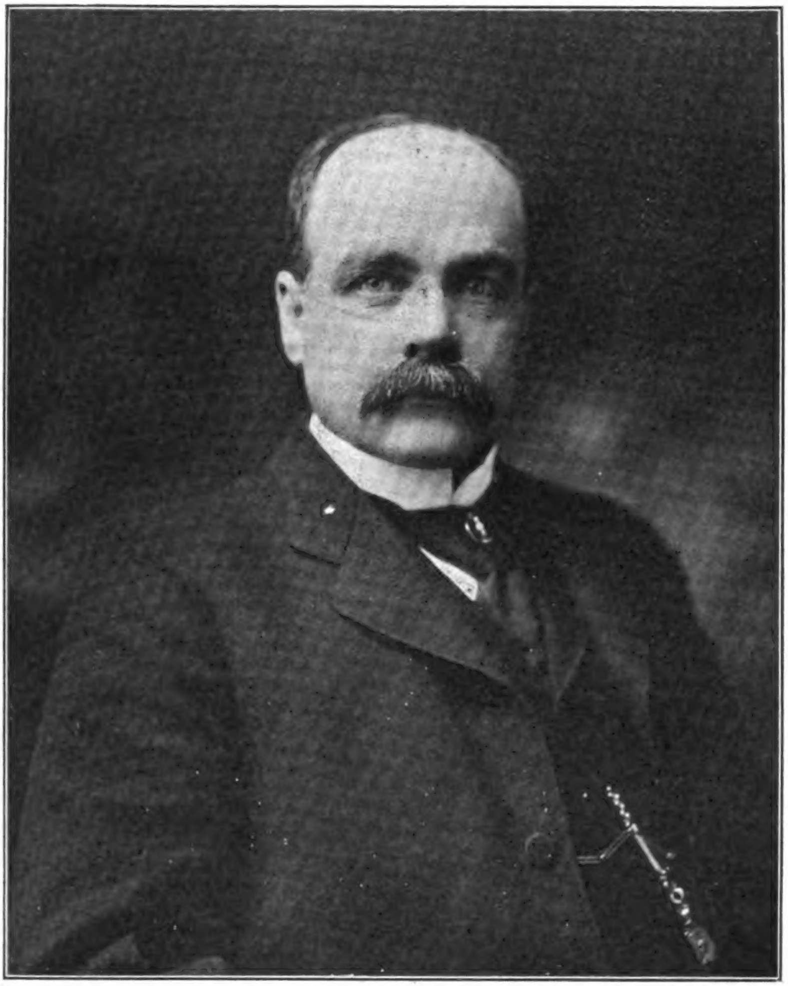
What is Success?

The question is, are such men necessarily without ambition? And can it be said justly that their business career is a failure?

After all, is it not a matter of happiness in the work? "Blessed is the man who has found his work." A perpetually discontented man is not much good to himself or

to anybody else. But it is likewise true that a certain amount of discontent is a good thing. More or less of the spirit of unrest has entered into the makeup of every successful man. That is one reason why the human race progresses.

"In the natural course of events the bank clerk of the present will be the banker of the future and the training he is getting in your conventions, in your chapter meetings, your debates, your reading circles, your correspondence school and even in



COL. FRED E. FARNSWORTH
Secretary of the American Bankers' Association.

Secretary Farnsworth's Views.

In speaking to members of the American Institute of Banking on this subject, Colonel Fred E. Farnsworth, Secretary of the American Bankers' Association, says:

"The bank clerk of to-day, the one that will take advantage of the Institute, is fortunate in having the opportunities offered by your broad and comprehensive plan.

your entertainments, is fitting him for a position that for usefulness and for equipment will far exceed those who have passed before him. He will make a man among men, he will be broad, courteous, agreeable, all important qualifications of the present modern bank official.

"You have already made a record. Many of your early members have graduated, and are holding positions of trust, eminently

qualified for the confidence reposed in them, and this list comprises all grades from assistant cashiers to presidents.

"As to your future success individually, much depends on your own efforts, you hold the solution of the problem in your own hands. If you will take advantage of your opportunities in this Institute work, you will have the necessary qualifications to rise in your chosen profession. Be alert, be mindful always of the wishes and desires of your superior officers and the interests of the bank you represent, spend your time as carefully as you do your money, for a young man's capital is his time. Don't be too modest to be aggressive. Don't wait for opportunities. Make them."

A Merchant's Opinion.

Henry C. Lytton, a prominent merchant of Chicago, writing in the "American Business Man" says:

"There was never a time in the history of the nation when the outlook in business was so bright as it is to-day for the young man. His success simply depends upon himself. There are no limits to which he may not aspire. Opportunties for advancement were never so numerous, and demand was never so urgent as it is to-day for young men. But they must be the right kind of young men. They must be young men of brains. But brains is not the only requisite. They must be young men with capacity, with energy, with initiative, with perseverance, with ambition and a capacity for and love of work. It does not follow that because a young man has brains he will also possess these other qualities. On the contrary, some very brainy young men I know are lacking in the most of them, and hence they are not well balanced. On the other hand, I frequently meet young men who have all these other qualities, but are lacking in brains. Unless you can find all these attributes combined then the young man must be classed in the ranks of mediocrity, and mediocrity, while it may be a good and faithful employe and in a measure will participate in the good things of life, will never rise to commanding position or conspicuous preferment."

Does not this opportunity extend to the banking business? We invite discussion by our readers on this subject, which every member of the Institute must consider a very important one, affecting his happiness and success in his chosen life-work.

PHILADELPHIA SMOKER.

THE Philadelphia Chapter, American Institute of Banking, which includes representatives of nearly every bank and trust company in the city, opened its season with a smoker on the evening of September 18 at its new rooms in the Rogers Williams building, Seventeenth and Chestnut streets. With the exception of the reports of delegates to the annual convention at Providence, last July, and an outline of this year's educational work, no business was transacted, the larger part of the evening being given over to amusement features.

At the October 2d meeting Charles H. Harding addressed the Chapter on tariff revision, and Talcott Williams addressed it on "Trusts and the Individual." Mr. Harding pointed to the effects of the Wilson-Gorman tariff on the woolen manufacturer and the sheep raiser as evidence of what might be expected of Democratic tinkering with the tariff. The shadow of uncertainty had made itself felt already in the limiting of contracts.

Dr. Williams dealt with the question raised by Mr. Bryan's campaign whether the rule of the people is menaced by the despotism of the trusts; the liberty and opportunity of the individual to be overwhelmed by the will of capital.

NEW YORK OFFICERS

THE officers of the New York Chapter are as follows:

President, R. P. Kavanagh, State Banking Department.

First vice-president, Edw. H. Callanan, National Bank of Commerce.

Second vice-president, R. W. Brett, Chemical National Bank.

Secretary, A. A. Ekirch, North Side Savings Bank.

Treasurer, H. M. Baldwin, Title Guarantee and Trust Co.

Librarian, A. L. Kley, Citizens Central National Bank.

Chief Consul, L. N. Roe, Mutual Alliance Trust Co.

Secretary to the board of consuls, C. W. Cary, Metropolitan Trust Co.

The Board of Governors consists of the following men: N. D. Alling, Nassau Bank; H. S. Andrews, State Banking Department; H. M. Baldwin, Title Guarantee and Trust Co.; A. M. Barrett, Guardian Trust Co.; H. Billman, North Side Bank, Brooklyn; M. F. Bauer, American Exchange National Bank; R. W. Brett, Chemical National Bank; E. H. Callanan, National Bank of Commerce; O. H. Cheney, State Banking Department; W. I. Dey, State Banking Department; C. R. Dunham, Citizens Central National Bank; A. A. Ekirch, North Side Savings Bank; J. H. Fallon, Seaboard National Bank; L. J. Grinnon, N. Y. County National Bank; T. H. Hunt, Jr., National Park Bank; M. Clay Hilbish, Franklin Trust Co., Brooklyn; R. P. Kavanagh, State

Banking Department; H. Kinsey, Williamsburg Savings Bank, Brooklyn; J. B. Korndorfer, Irving Exchange National Bank; W. B. Matteson, National City Bank; C. F. Minor, Knickerbocker Trust Co.; G. L. Pegram, Metropolitan Bank; R. J. Phair, Night and Day Bank; E. M. Riley, Northern Bank; L. N. Roe, Mutual Alliance Trust Co.; W. M. Rosendale, Market and Fulton National Bank; W. M. Stevens, Bronx Savings Bank; M. L. Wicks, Bankers Trust Co.

THANK YOU, COLONEL.

SHORTLY after the appearance of the August number of THE BANKERS MAGAZINE we received this note from Col. Fred E. Farnsworth, secretary of the American Bankers Association:

"You certainly have a good write-up of the American Institute of Banking convention, and I think it will be appreciated by 'the boys.' It is also well illustrated. Please send me another copy of the magazine."

EDUCATIONAL WORK.

The New York Chapter Has a Good Plan for the Fall.

AT a meeting of the Board of Governors held on September 10 a liberal appropriation was made for the educational work of the 1908-9 season. Under the leadership of M. L. Wicks of the Bankers Trust Co., the committee having this work in charge is rapidly completing the schedule of lectures for the fall and winter. As usual, the services of several prominent college professors has been secured to present the theoretical aspects of banking. Eminent members of the banking and allied professions have agreed to deliver addresses on timely topics. These, with papers by members on divisions of bank work which long experience has fully qualified them to explain, will complete the work of the season. An acceptable paper will go far toward securing for the writer an American Bankers Association certificate in the subject of practical banking. Thus those who attend the meetings of this organization enjoy the advantage of having presented to them the science of banking from every point of view.

The schedule for the first four meetings is as follows:

October 8. William Scherer, manager of the New York Clearing-House, "Guaranty of Bank Deposits." H. K. Twitchell, assistant cashier of the Chemical National Bank, subject not yet announced. C. F. Minor, Knickerbocker Trust Co., "Convention Happenings."

October 22. Chas. A. Conant, "Asiatic Banks of Issue."

November 5. Franklin Dickey, editor of the Foreign Bankers Almanac, "European Banks of Issue."

November 19. Henry Clews, "Fifty Years of Wall Street."

Beside these regular meetings, it is expected that afternoon classes in Economics, Commercial Law, and Practical Banking will be held for the benefit of those fortunate enough to hold positions which will allow them to take advantage of the exceptional opportunities offered at these special classes.

The regular meetings of the Chapter will be held in the hall of the United Charities Building, 105 East Twenty-Second street, one door east of Fourth avenue.

N. L. ROE.
Chairman Press Committee.

CHICAGO GETS UNDER WAY.

The Big Western Chapter Starts the Winter's Activity.

By Thomas J. Nugent.

CHICAGO Chapter's second semi-monthly meeting for 1908-09 was held Tuesday evening, September 22, at Booth Hall, Northwestern University building. The attendance taxed the capacity of the hall and a very interesting and instructive program was enjoyed by all.

Professor J. Paul Goode, of the Department of Geography, University of Chicago, gave an illustrated lecture on the "Reclamation of our Arid Lands" which was certainly worth travelling miles to hear. It will not surprise some of us, should we hear of a hegira among Chicago bank clerks towards the great Southwest, so well did Professor Goode picture the opportunities for wealth in that section of our country. During the course of his remarks Chicago was taken to task for her barbarous and indecent sewage system, telling how years ago we pumped the sewage into the lake and then in the course of events drew it back through our pipes as drinking water, causing epidemics of typhoid fever and the like, and now let it flow down the canal so that the good people of Joliet, Peoria, and St. Louis can sample it. In striking contrast to our methods he described a system in vogue in the city of Los Angeles, the best, in his estimation, throughout the United States. The sewage of that city after purification is pumped to an outlying arid section of the city known as the City Walnut Farm, where thousands of walnut trees have earned good returns on the municipal investment.

Following Professor Goode, H. L. Wildfang of the First Trust and Savings Bank

accompanied by Leigh Sargent of the First National Bank sang a number of pleasing baritone solos.

President Jackson then called on the election committee for a report of the vote cast for candidates for Treasurer, which was read as follows: Victor E. Edgren, Northern Trust Company, 75 votes; E. P. Bohn, Merchants Loan & Trust Company, 72 votes; and F. W. Nourse, Illinois Trust and Savings Bank, 16 votes.

James I. Ennis of the Chicago bar, formerly with the Merchants Loan & Trust Company, continued his lectures on bank checks which were a feature of last year's programs. "Who may sue the bank for refusal to honor checks" and "Rights of a check holder to sue a bank" were the two sub-headings touched upon at this meeting.

Chas. W. Alison of the Northern Trust Company presented an amendment to the constitution which will be acted upon at the next meeting to the effect that, hereafter, members who have been in good standing for two consecutive years and who have attended sixty per cent. of the regular meetings, only, may become candidates for chapter offices or delegates.

Norman A. McDonald, assistant cashier of the Citizens Bank of Buffalo and president of the Buffalo chapter was among those present.

By vote the Secretary was instructed to convey the sympathies of the Chapter to Mr. and Mrs. Lester B. Brady in the loss of their only child, a little daughter of one year.

Leigh Sargent, chairman of the entertainment committee, reports that Mr. Kiser has completed three acts of the burlesque on the "Man from Home" and that in another week Mr. Karr will have selected the cast. As soon as the above are complete work will begin in earnest. A prize will be awarded the bank man submitting the most original design in the shape of a poster which will be used to advertise the show. Something unique and novel in the way of a souvenir book is promised to all who attend the burlesque.

George H. Tomlinson, chairman of the Debate Society, announced that a meeting of the society would be held at Chapter headquarters, Tuesday evening, October 6, for the purpose of holding a preliminary contest to determine the team that will represent Chicago chapter in the forthcoming inter-city debate with Indianapolis, which will occur November 4 at Indianapolis before the Indiana Bankers Association. The question to be debated, "Resolved, That the United States should guarantee the deposits of national banks," is a momentous one and of universal importance, especially to bankers and should draw out some tip-top arguments. Chicago will defend the negative side of the question.

AT WORK IN AUGUSTA.

SPEAKING of the work of the Augusta, Ga., chapter, the "Herald" of that city said on September 20:

To advance the standard of banking in Augusta, which is already up to a high point, Mr. Jos. P. Bartley, president of the local chapter of the American Bank Clerks' Association has succeeded in securing the services of many distinguished speakers for the regular meetings of the local organization.

Next Tuesday Mr. Rodney Conen will make an address outlining parliamentary law and much interest will be centered around the subject and the speaker will no doubt be accorded a cordial reception by the entire membership.

On the following Tuesday night, September 29, Maj. J. C. C. Black will discourse on Democracy and it is an assured fact that the silver tongued orator of Augusta will dispense a cheerful and eloquent line of logic to the young financiers of the city.

For the succeeding Tuesday, which will be October 6, Mr. R. N. Berrien, of Waynesboro, has been secured and he will take as a subject the American Institute of Banking and it will bear directly on a question of vital interest to the members. Mr. Berrien is recognized as one of the sterling business men of Waynesboro and all the members will gladly welcome him to Augusta.

On October 13 the next speaker will be a prominent Augusta bank official and the subject will be announced later.

After this course is carried out Mr. Bartley will have others ready and the local order promises to be one of the most progressive and enterprising in the whole country. The society is now thinking of selecting a button and they will communicate with the national organization in order to find out just how far they can go in localizing the order.

The society has already received the commendation of practically every banker in Augusta personally and the Clearing-House Association has given unlimited support to the movement and has fostered it by donating money enough to furnish the club rooms.

CLUB ROOMS AT DETROIT.

THE Detroit Chapter held the opening meeting of its sixth year at the convention hall of the Cadillac Hotel, Friday evening, September 25.

Congressman Edwin Denby gave an exceedingly interesting and instructive talk on the "Panama Canal" illustrated by stereopticon views taken during his visit to Panama last summer.

The matter of permanent quarters for Detroit Chapter was presented by the secretary for the committee on location, giving several good sites, all centrally located, in which can be established a good assem-

bly hall, reading room, bowling alleys, etc. This idea of permanent club quarters is to keep up the membership with some such social attractions, but the reading room and education in practical banking is the main object.

Several Detroit banks have signified their willingness to give material assistance and there is no doubt of the permanent club being realized very soon and easily maintained by the present large membership.

S. R. Kingston, chairman of the educational committee, submitted a plan for either an alliance of the chapter with College of Law or a course of lectures at chapter meetings, giving all who may desire an opportunity to pursue the study of banking and commercial law.

Julian G. Kirsten, chairman of the program committee, promises some very good educational features for the coming season along the line of the debating society and examinations in practical banking, etc.

Arthur Schiedel, new editor of the Chapter News, made an earnest appeal to the membership for news items. He promises the first issue by October 15. The form of this magazine has been changed somewhat and advertising space will be sold to maintain it.

With the many advantages that are coming her way Detroit Chapter will make a banner year of 1908.

W. E. BULLARD.
Chairman Press Committee.
Sept. 28, 1908.

RICHMOND GETS BUSY.

THE Richmond Chapter held its first meeting for season 1908-09 on Wednesday night, September 23, 1908, with a good number present. The delegates to the Providence Convention submitted their report which was accepted and a resolution unanimously passed that the Secretary write the Providence Chapter thanking them for their hospitality.

Our new president, Mr. Proctor, favored us with a few remarks well suited to the occasion.

The attendance at this meeting was above the average. The members present seemed to enjoy themselves and indicated a willingness to take a more active interest in the work of the chapter during the coming year.

The program for the ensuing year, as far as mapped out, was discussed and various committees announced for the purpose of perfecting our plans as far as possible.

A committee of three was appointed to arrange the program for the year and this committee is to be assisted by three others, named respectively Debate, Entertainment and Membership. These committees have already gained a good headway toward accomplishing what is expected of them. The Entertainment Committee, under the leadership of our efficient ex-president, G. Jeter Jones, has already shown its ability by the success of this, our first meeting of the season.

D. E. Mouncastle, chairman of the Program Committee announced that he had already been able to secure several prominent speakers, all of whom are men well worth hearing.

Our next meeting will be in charge of the Debate Committee, chairman of which is W. W. Neale. This committee has already selected several good subjects and concluded to discuss the question of guaranteeing bank deposits in debate at our next meeting. The teams will consist of three men each, but the names of all the debaters cannot at this time be announced.

G. H. Bates, one of the delegates to the Providence Convention, is chairman of the Membership Committee and under his leadership this committee has succeeded in obtaining seven new members and stimulating interest among many others. One of the features of the committee's activities was the use of a circular letter for notice of the date of meeting instead of the ordinary post card which has been used heretofore almost exclusively. Any chapter which has not tried this scheme would find it to their advantage to do so.

A. E. Parker, one of our most enthusiastic members, and chairman of a special committee appointed for the purpose, has succeeded in interesting about fifteen or twenty men in a movement toward establishing a class to undertake a systematic study of banking law. This committee has been authorized by the Chapter to secure a competent instructor and devise means of obtaining the best possible course at a reasonable cost.

We had the pleasure of having Mr. A. P. Grice, of Tidewater Chapter, Norfolk, Va., with us. Mr. Grice was invited to attend this meeting with the idea in view of establishing closer relations between Tidewater and Richmond, and as an outcome of his visit we expect to come together in a debate some time in the near future.

CLINTON L. WILLIAMS, *Secretary.*
RICHMOND, VA., Sept. 25, 1908.

CHAPTER AT TACOMA.

TACOMA, Wash., bank clerks met in the offices of the National Bank of Commerce September 21, and organized a chapter of the American Institute of Banking. Officers were elected as follows:

President, E. C. Johnson, Scandinavian American Bank.

Vice-President, F. P. Haskell, Fidelity Trust Company.

Secretary, R. Jennings, Pacific National Bank.

Treasurer, J. W. Lynch, Bankers' Trust Company.

Thirty clerks were made members of the new organization, and it is expected that as many more will join. F. A. Rice, cashier of the National Bank of Commerce, and P. C. Kauffman, vice-president of the Fidelity Trust Company, were present at the meeting and gave the organization their hearty indorsement.

PROMOTION AT MILWAUKEE.

AT the opening meeting of Milwaukee Chapter, the announcement was made of the promotion of Carl E. Engelke from the position of paying teller to that of assistant cashier of the Germania National Bank. Reports from the convention in Providence were made by Alexander Wall, Roy L. Stone, F. E. Bachhuber and A. H. Jensen.

GOOD PROSPECTS.

IT is too early to determine the results of institute self-government, but judging from the conservatism and sense of responsibility thus far manifested, and the educational plans so far formulated, there is every reason to expect improvement, not only in the development of executive ability and personality among the members, but also in the systematic study of practical banking and the kindred subjects of commercial law and political economy.—Jos. Chapman, Jr., at the A. B. A. convention.

THE HEAD OF THE FIRM.

THE interested parties may not yet have heard about this flurry in financial circles.

It is stated that not long ago Kuhn, Loeb and Company, the New York bankers, had occasion to send some bonds to J. Pierpont Morgan about noon on Saturday, and as all the other employes had gone home the colored porter was intrusted with tne errand. He was told to go to Mr. Morgan's office and to insist on giving the package to "Mr. Morgan, of J. Pierpont Morgan and Company, and to no other person."

By continual repetitions of these instructions to all who stood in his way, he finally broke into Mr. Morgan's presence, where several gentlemen were in session, and, wiping the big drops from his brow, blurted out, "I wants to see Mr. Maw-gin uv J. Peahpont Maw-gin en Cump'ny."

Mr. Morgan arose and said, "Well, I am Mr. Morgan, of J. Pierpont Morgan and Company. Who are you?"

"Who—me?" said the porter. "Why, I's de coon of Kuhn, Loeb and Company, and heah's de dockymints I done brung ye."—P. V. Bunn in *Success Magazine*.

CAMPAIGN SAVINGS BANKS.

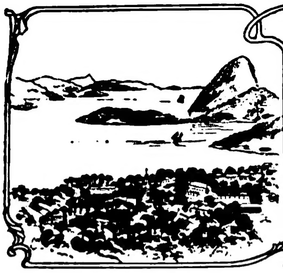
"HAVE you contributed your dollar to the Bryan Campaign Fund?" is asked on a poster displayed at Democratic National Headquarters in the Hoffman House in New York.

"Do so here," poster type continues, "and receive a beautiful leather-covered Bryan pocket savings bank. Distributed under the auspices of the Democratic National Committee."

The pocket "savings banks" will in all probability be offered the country over.

LIGHTS IN ASIA.

HAD Edwin Arnold written in our day his magnificent poem "The Light of Asia", depicting the life and character of that noble hero in the person of Prince Guatama of India, it would seem very reasonable to suppose that some reference might have been made to the advance of the commercial invasion of that continent by American merchants. Recently an enterprising firm in Canton, Ohio, forwarded a shipment of street lights to Bangkok, the marshy capital of Siam. The streets of that ancient capital will now be illuminated by the nickel extension globe lights manufactured in Canton where formerly the king and court alone had the luxury of the light. This at least illustrates that in one way the "Light of Asia" has its origin in the United States and points the way of future banking enterprise which farseeing bankers should now consider and prepare for.



LATIN AMERICA

IN the century that has passed, the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.—*Theodore Roosevelt.*

BIG SHIPMENTS OF MEXICAN CATTLE.

THE El Paso (Tex.) "Times" of September 25 says:

The first twenty-six of a shipment of 1600 cars of cattle, which are to be imported from Mexico and shipped to Kansas City, arrived at the local port yesterday and were shipped out last night via the Southwestern.

Following the first shipment an additional train of twenty-six cars will arrive on the 28th, and afterwards the shipments will arrive at the rate of 100 cars per week until the entire 1600 cars have been shipped out. The entire shipment will aggregate 48,000 head of beef cattle, which are being sent into the Kansas City market. The contract is the largest that has been made this year for Mexico cattle. The cattle have been gathered from all parts of Mexico, but the greatest number come off the Terrazas ranch.

The duty on the 48,000 head will run away up into the thousands.

AUGUST COINAGE IN MEXICO.

THERE has recently been a greatly increased activity shown in the Mexican mint in the way of coining gold, silver and copper coins in order to facilitate commerce in the republic. There was an especially heavy increase in the number of pesos coined during the month of August, the report of the mint showing $1,370,000, while during the same period 34,000 Hidalgos of $10 each were turned out from the mint.

MEXICO'S NATIONAL INDUSTRIES.

A SIGNIFICANT demonstration of the general policy of the Mexican Government to foment the development of native industries by special legislative concessions to the promoters thereof, is made in the placing of an order for 20,000 tons of steel rails with a company at Monterey.

The control by the Government of a large portion of the railways of the Republic and the higher duty recently placed upon imports of steel and iron are important factors in this order. General commendation has been bestowed upon the Mexican display made in the London Exposition, especially the exhibits of the sugar and tobacco industries, and the convention of rubber planters recently held in the city of San Geronimo, State of Oaxaca, was an enthusiastic testimony of the value of rubber culture in the country.

BANKING IN MEXICO.

FROM a Government document the following information is obtained:

Charters are granted in Mexico for the establishment of three kinds of banks, viz., banks of issue, mortgage banks, and loan banks. Banks of the class first mentioned are those which are permitted to issue notes of the various denominations, which are redeemable at par on demand. Circulation is limited to three times the paid-up capital stock and the banks are required to have cash on hand to the extent of at least one-half of the amount of their circulation, plus sight deposits and deposits at three days' sight. The minimum capital is $500,000, at least 50 per cent. of which must be held in cash before beginning business. Banks of issue are prohibited from discounting paper of any running nature, negotiating paper running over six months, or accepting notes or other documents for discount which do not bear two responsible signatures or are not guaranteed by mortgage security. They can not secure loans or contract any compromise on notes of their own circulation, and are forbidden to mortgage their prepertles or surrender their discounts for collateral security to any third party. They can not accept mortgages, except under special circumstances, and with the approval of the department of finance. A mortgage in favor of a bank of issue that does not exceed one-fourth of the paid-up capital, and taken to protect a credit, which will mature within two years from date of the transaction, may be accepted, within the approval of the department of finance.

Mortgage banks are those which make loans on real and urban properties and issue bonds which accrue interest and are amortizable through special conditions and at specified dates, being protected by mort-

gages. The minimum capital must be $500,-000 and 50 per cent. of the total subscribed paid in cash.

The third class of banks, banks of loan, are institutions which are authorized or expressly organized for the purpose of facilitating mining, agriculture, and industrial enterprises by means of privileged loans without mortgage security. These banks issue short time credit bonds, which accrue interest and are payable at specified times or dates. The minimum capital is $200,000.

All banks in the Republic are subject to governmental control and required to publish monthly statements in a form specified.

MEXICO AS A RESORT FOR TOURISTS.

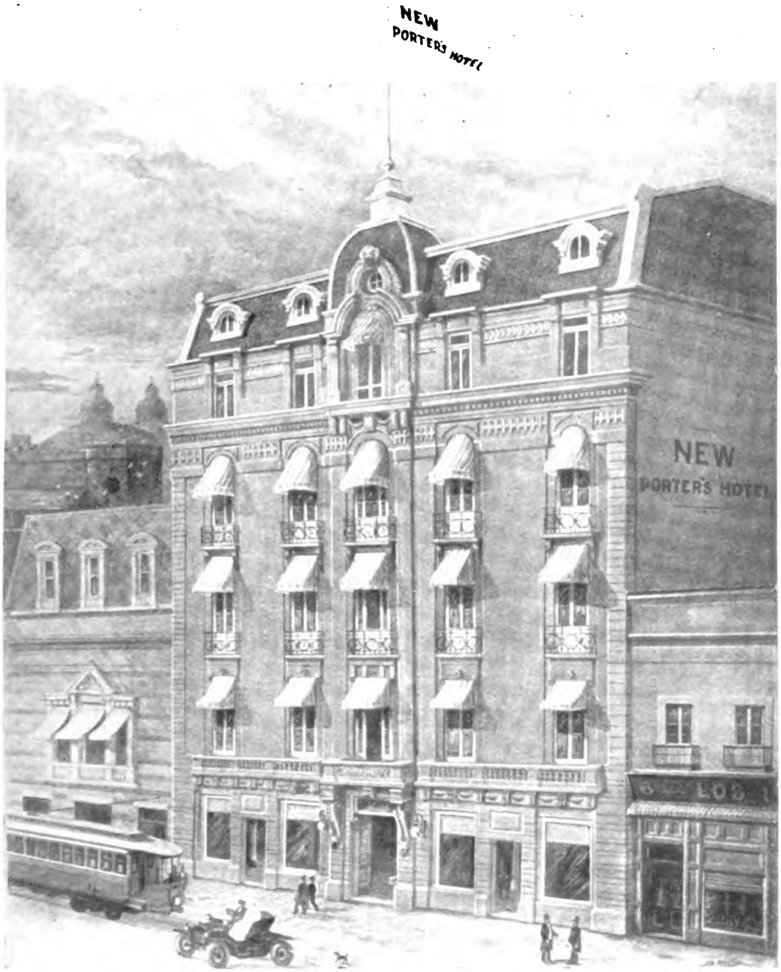
SEVERAL erroneous impressions prevail among most people in the United States about our neighboring Republic of Mexico. One is that the climate is excessively warm, and another that the hotels are not good. These wrong ideas keep numbers of tourists from visiting what is undoubtedly one of the most interesting and attractive regions to be found anywhere.

Except along the coast the climate of Mexico is delightful all the year round. In Mexico City, and throughout the elevated portions of the country generally, the weather is not at all hot, even in July and August, and one may wear, without discomfort, the clothing usually worn in our Northern States during the spring and fall. Nor does it get cold in winter, there being in fact but little difference between the various seasons, so far as temperature is concerned. From May to November rain falls nearly every day for an hour or so, usually in the afternoon.

The attractions of the country to the tourist are endless—the quaint types of people, the ruins, old churches, magnificent scenery, and one of the most beautiful capitals of the world.

The City of Mexico has a number of hotels that will compare most favorably with those to be found in other cities of equal or greater size. One of the newest and best of these is the New Porters Hotel, opened on the first of September of the present year. It is located in the business center, built of stone, six stories in height and newly furnished throughout. The equipment includes modern plumbing, electric lights, electric elevator, electric heat, telephones, porcelain baths—and in short every convenience conducive to comfort. The cuisine is excellent and the service good.

Mr. and Mrs. Porter give the hotel their personal attention, assuring that home-like air so often lacking in a hotel. They are Americans, and the hotel has become a favor-



New Porter's Hotel, Mexico City.

ite rendezvous for people from the United States who are in Mexico City either on business or pleasure.

It may be said positively that all persons who wish to visit Mexico will find first-class hotels there, and they will find also a climate that approaches perfection.

ANSWERING A HURRY CALL FROM ARGENTINA.

UNITED STATES manufacturers have just been called upon to supply wire ducts for the telephone system of Bahia Blanca, a city in Argentina four hundred miles south of Buenos Aires. The South Americans are in such a hurry to get the telephone installed that a special train, from Ohio to New York, and a special steamer from New York to Bahia Blanca, have been commissioned.

The "rush" order comes to the H. B. Camp Company from the United River Plate Telephone Company, which operates in Argentina under the Bell system. Bahia Blanca is a port with 45,000 inhabitants, the converging point for several railroads from the interior, and is said to have doubled its population in the last five years. It has become rapidly modernized and is impatient for up-to-date improvements.

The clay piping has already started from Aultman, O., by "special movement" over the B. & O. As soon as it reaches tide-water, it will be carried across New York

Harbor in floats to the Bush docks in Brooklyn, and there transferred to the hold of a steamer. The cargo will be unloaded upon the docks in Bahia Blanca about three weeks later.

APPROACH OF THE TWO AMERICAS.

SENOR JOAQUIM NABUCO, Brazilian ambassador to the United States, was the principal speaker at the recent sixty-eighth convocation of the University of Chicago, when 185 degrees were conferred. Senor Nabuco's subject was "The Mutual Approach of the Two Americas." In his address he said:

The only certain effect I can see of a permanent and intimate intercourse of Latin-America with you is that it would be slowly Americanized; that is that it would be, in different measures penetrated with your optimism, your self-reliance and your energy. I would not end if I attempted to mention all the good that Latin-America would derive from a close intercourse with the United States. What you, perhaps, would prefer to hear is what good you would derive from that intercourse. I will tell you frankly that that good would be at first only the good that comes from making friends and helping them in the true road of life; but I believe there is no more substantial good than that for a nation which is the leader of our continent.

The question is to know if you have made up your mind that this continent should be for each of its nations a prolongation of her native soil; that some kind of tie should make of it a single moral unit in history. Was the Monroe Doctrine inspired to you only by the fear of seeing Europe extend its parallel spheres of influence over America as it has later on done over Africa, and has almost succeeded in doing over Asia, endangering in that way your solitary position? Or were you moved by the intuition that this is a new world, born with a common destiny? I strongly believe that the Monroe Doctrine was inspired even more by this American instinct, taking the word American in the sense of continental, than by any fear of danger to yourselves.

You keep away from the entangling alliances which the fathers of your country deprecated, and yet a concentration of the American republics, with the idea that they all form, under different flags, a single political system, is already a moral alliance.

MEXICAN BANKING ITEMS.

NEW MANAGER OF BANCO DE NUEVO LEON.

RODOLFO J. GARCIA has succeeded Ernesto Madero as manager of the Bank of New Leon, at Monterey. Mr. Garcia as held important positions with the Monterey branch of the National Bank

of Mexico, and also with the Mercantile Bank of that city, and was formerly manager of branches of the Bank of Coahuila.

New Bank at Tampico.

THERE will be opened shortly at Tampico, Mexico, a new bank to be known as the International Banking Company, with a capital of $10,000,000. One of the principal organizers of the new bank is Carl Heynen, manager of the Commercial and Maritine Agency of Mexico City.

Change in Branch Managers.

RECENTLY Pedro Alcala Hernandez succeeded Rafael Fuente as manager of the Banco Nacional's oranch at Veracruz. Mr. Fuente is now manager of the Jalapa branch.

New Bank in Mexico City.

FOUR of the large banks of the City of Mexico have formed a new organization—the Caja de Prestamos para Obras de Irrigucion y Fomento de la Agricultura, S. A.—which will have a capital of $10,000,000. The banks interested in the new institution are the National Bank of Mexico, the Bank of London and Mexico, the Mexican Central Bank and the Mexican Bank of Commerce and Industry. These banks are to own, permanently, one-quarter of the initial capital and they undertake to subscribe at once for the entire amount of the capital stock.

It will be the special aim of the new bank to make long-time loans for agricultural purposes and for irrigation.

Mexico To-Day.

UNDER this title a new monthly publication is being issued by the National Lines of Mexico, devoted to the interests of tourists and investors. The magazine is beautifully illustrated and contains a large amount of valuable information for those who contemplate visiting Mexico.

MEXICAN NOTES.

FROM the annual message of President Diaz, transmitted to the Congress of Mexico on September 16, the following facts are obtained regarding the progress of that country:

Relations With the United States.

The government of the United States of America has given proofs of its friendliness toward us and in general such questions as have arisen between ourselves and that government have been satisfactorily adjusted.

When, as I shall have occasion to mention later on, attacks were made on small border towns by bands of outlaws, the Washington government not only concentrated forces along the boundary line, to prevent the fleeing marauders from seeking a refuge in American territory, but also instituted proceedings for violation of the neutrality laws against those individuals who had made plans in the United States for the raids into Mexico.

Central American Peace Court.

Our ambassador at Washington was present, in company with an American commissioner, at the inauguration of the International Court of Justice at Cartago, Costa Rica. As a consequence, we have been favored with the visit of a distinguished special envoy of the Costa Rican government, as we had previously had the pleasure of entertaining commissioners from the nations represented at the Central American Peace Conference.

We hope that the newly established tribunal will contribute to the maintenance of peace in Central America, and Mexico, for her part, will do all that is possible and proper for the attainment of so desirable an object. With this end in view, the executive consulted congress as to the establishment of legations in Costa Rica, Honduras and Nicaragua, and sent the nominations of their personnel to the senate. The new legations have already been opened, and a diplomatic representative of Mexico is once more in residence at Guatemala city.

Improvements in the Capital.

More than 16,000 square meters of asphalt pavement, 15,000 square meters of stone pavement, and more than 10,000 square meters of flagstone sidewalks have been laid in the capital.

Licenses to the number of 1,600 for the erection of new private buildings, or the reconstruction of existing ones, have been issued.

The road between Mexico and Tlalpam has been completed.

The roadway of the Paseo de la Reforma has been re-laid for a considerable distance, as have also the roads from San Pedro de los Pinos to Mixcoac and along the Viga canal.

In the aggregate, 108,500 square meters of macadam, and about 17,000 square meters of asphaltoleum, have been laid.

Irrigation Works.

A concession has been granted by which the irrigation works undertaken on the shores of Lake Chapala are subsidized. Another concession has been granted for irrigation works on the Hacienda of El Dorado.

Other important works of this nature are under consideration, one of them being the dam in the Fernandez canyon for the storage of the waters of the Nazas river, so that they may be utilized to better advantage, and that the area under cultivation in the important cotton growing region of La Laguna may be extended.

Port Works.

The works for the water supply of the port of Coatzacoalcos and various buildings, connected with that service, have been completed, as have also the works for the lighting and drainage of the terminal yard. In order to form a channel through the bar, 850,000 cubic meters of earth have been removed by dredging. The volume of dredging done alongside the wharves was 252,000 cubic meters.

At Salina Cruz the outer port has been

dredged to a depth of ten meters at low water. The wall facing the entrance to the inner port has been completed, as have also the abutments for the two bridges, and a beginning has been made in filling in the provisional entrance with concrete blocks.

In the dry dock at Salina Cruz the eaves for the entrance, the culverts for the admittance and discharge of water and the steel ship-gate, have been completed. The yard has been supplied with sixty-five arc lamps on posts of galvanized iron and its surface drainage has been completed.

In the city of Salina Cruz, 1,209 meters of drains have been laid to carry off the rain water.

At Tampico, the works for the water supply have been begun in zones 2 and 3. The filling in of the low land, for which a contract was recently let, and the grading of zone 3, have continued.

At Mazatlan, the drainage of the city and the receiving well have been completed, the pumps have been installed, and a house to cover them has been erected.

At Manzanillo, the facing of the higher portions of the head of the breakwater, and the site for the lighthouse, have been completed, fifty-eight blocks of concrete having been placed in position and 1,073 tons of the same material having been laid in situ.

Postal Matters.

The progress of the postal department during the second half of last fiscal year was as follows: Seven offices, nine agencies and twelve itinerant offices were established, the total number of postal offices rendering service at the present time being 2,934. The correspondence of all kinds handled aggregated 105,000,000 pieces which, with those handled during the previous half year, give a total for the year of 195,000,000 pieces. Interior postal drafts were issued to the value of $26,417,000 in round numbers, giving $50,955,000 for the fiscal year, which is an increase of 9.73 per cent. over the previous year. Foreign postal drafts were exchanged to the value of $5,237,000. The total earnings of the post-office department in the half-year under review were $2,092,000, which, added to the earnings of the previous half-year, give a total for the year of more than $4,200,000.

The unit of weight on letters in the inland service has been increased from fifteen to twenty grams without charge in the rates, and since January first, last, the increased weight allowance has been in force for letters mailed in Mexico to the United States and its possessions, to the Dominion of Canada and the republic of Cuba.

In accordance with the equivalent for Mexican coin, given in the regulations for the universal postal convention, the postage on parcels mailed in Mexico for France has been increased from sixty cents to $1.20.

Finance Department.

The economic situation of the country continues to be affected by the persistence of some of the perturbing causes which arose at the close of last year, though showing signs of improvement which, it is to be hoped, will gain strength day by day. It is, unfortunately, true that the prices of our chief exports have not yet recovered; but, on the other hand, the condition of our interior markets has mended to a marked degree; the banks seem to be on the eve of a period of greater activity; the rate of interest is diminishing and the investment of foreign capital is again on the increase. What is more, the various laws enacted by Congress in its last period of sessions, at the instance of the Finance department, with a view to remedying the general business depression, are beginning to produce the beneficial results that were expected of them. The gradual and prudent enforcement of the amendments to the Banking Law will help forward this improvement of conditions. But a still more potent factor will be the foundation of a "Caisse for Loans to Irrigation Works and for the Encouragement of Agriculture," which is being organized under a concession granted by the Finance Department, in accordance with the law of June 17, last, to the banks desiring to be associated with this new institution, which, in addition to its own capital, will be able to devote to the purposes of its existence the funds which it will obtain from the sale of bonds guaranteed by the Government.

As I predicted in my last Message, the business depression finally affected the yield of taxes, particularly the customhouse duties. The collections from the last-named source during the fiscal year which ended on June 30th, last, were substantially the same as those of the previous year, that is, a little more than $54,000,000; but it is to be observed that the gains realized in the first seven months of the year were lost in the last five months. It must also be remembered that since February last, the export duties on henequen, which generally amounted to about $800,000 annually, have been suppressed.

The same remarks may be made as to the Stamp Tax which, after a slight gain in the first half of the fiscal year, shows a falling-off for the whole year of half a million pesos. But this result must be regarded as satisfactory, for, as in 1907-1908 the rates of the Federal Contribution were diminished by twenty per cent., which is equivalent to a loss of more than a million and a half yearly, the falling-off of $500,000 is only apparent, for there was a real gain

of one million pesos in the other forms of the Stamp Tax.

Total Federal Revenue.

Turning now to the total federal revenue in the past fiscal year, it may be said that, notwithstanding the unfavorable conditions which prevailed during the second half of that year, the total in question, as indicated by the incomplete returns at present available, does not show the marked falling-off, as compared with the preceding year, that was to be feared, for the receipts were one hundred and ten million pesos approximately in the fiscal year 1907-1908, as against one hundred and fourteen million pesos in the fiscal year 1906-1907, the difference being chiefly due to a diminution of the profits arising from the operations of the mint.

New Coinage Struck.

As a closing word in regard to the general situation, I will inform you that to the nine million pesos in gold and three million pesos in silver, coined in the first half of the fiscal year 1907-1908, seven million pesos in gold and four million pesos in silver, coined during the second half of that year, have to be added, giving a total of more than one hundred and twenty-two million pesos of the new currency put into circulation, of which no appreciable amount has left the country.

The National Railways of Mexico.

The National Railways of Mexico, S. A., has succeeded in getting the holders of shares and bonds of the National Railroad of Mexico and the Mexican Central Railway, to surrender the securities issued by those companies, which have their domicile in the United States, in exchange for securities of the new company domiciled in Mexico, and such has been the success of this operation, that though the bonds and shares in question were widely scattered over various parts of the world, only a small fraction thereof remains outstanding, ranging from one per cent. of some of the securities to a maximum of five per cent. in the case of others. It also gives me the utmost satisfaction to inform you that the public issues of bonds of the new company have been largely over-subscribed in the foreign cities, where they were offered to the public. With the resources thus obtained it has been possible to initiate active work in repairing and improving the lines and their entire equipment, as well as in reorganizing their service.

GENERAL NOTES.

—The value of the bullion shipped from the Guanajuato district during the second week of September was $185,000, and the value of ores and concentrate was $75,000.

—Every day sees new activity in the mining districts of Mexico; new shafts going down, new equipment taking the place of the more antiquated machinery, and new capitalists pouring their wealth into the country, building railroads and penetrating districts hitherto impracticable for mining.

—A dispatch from Mexico City says that the work of organizing the new rediscount bank is progressing very satisfactorily, and while it is not yet definitely decided, it is rumored that the location for the establishment of the Caja de Prestamos will be in Calle Cadena, at the place occupied at the present time by Braschi and Nunez, until such a time as will be convenient for the establishment in a permanent building.

—A large installment of fine furniture for Tampico, Mexico, has been received, and it is expected the new bank will be open for business by November 1, if not earlier. The bank will occupy part of the building now used by the Agencia Commercial y Maritima, on Calle de Commercio, midway between the Banco Nacional de Mexico and the Banco de Tamaulipas.

—A private message from Nicaragua announces the resignation of Senor Corea, the Nicaraguan Minister to Washington, and the appointment as his successor of Dr. Rodolfo Espinoza, who is now the Nicaraguan Minister of Affairs. Mr. Pio Bolanos, who has been for a number of years the Nicaraguan consul at New York, is advanced to the post of first secretary of the legation at Washington without surrendering the office of consul at New York.

THE BANKERS' CONVENTION.

ONE thing was made plain at the Denver convention of the American Bankers' Association—the bankers of the United States are opposed to the Government guaranty of bank deposits. The speeches against this scheme were somewhat hysterical; but the chief argument seemed to be that the fellow who thought his bank never could fail did not wish to stand sponsor for the other fellow's bank, which might fail.

Denver Auditorium Building—Seating capacity 12,500—in which the Bankers' Convention was held.

When the Savings Bank Section and the Trust Company Section were solemnly resolving against Government guaranty of deposits, one with a sense of humor might have obtained much enjoyment from the proceedings. It was declared that inasmuch as the losses to savings bank depositors were a negligible quantity, no guaranty was necessary. The losses of real savings banks have been very small. Why? Because the States having such savings banks have, almost without exception, prescribed such rigid laws governing the investment of deposits, and have so restricted the management of these institutions, as practically to insure the depositors against loss; and that accounts, to a great extent, for the fact that losses have been "negligible".

And the trust companies are also restricted in their investments and management in a way that greatly contributes to the safety of deposits.

Here and there a delegate at the Denver convention seemed to have a true perception of the problem to be met: Namely, the reduction of the losses by bank failures to the lowest possible minimum, this result to be attained by better management, efficient supervision provided by bankers themselves, Government examination that really means something, and finally by some form of co-operation that will weed out bad banking and sustain any solvent bank that may be unjustly attacked.

Bank deposit insurance on the Bryan plan was killed at Denver, but every thoughtful banker there realized that the time has come when the bankers must exert themselves to bring the banking business of the country up to the highest attainable level.

The currency report was rather colorless, and hardly what was to be expected from a commission made up of men of recognized ability. Still, the American Bankers' Association has committed itself to a credit currency, and the labors of the commission have

GEO. M. REYNOLDS
President American Bankers' Association.
(President Continental National Bank, Chicago.)

been productive of great good in educating the people of the country in regard to sound bank-note principles.

In its entirety the Denver convention was a success, unmistakably. The character of the addresses was of a high order. President Wilson of Princeton, Mr. Walker, President of the Canadian Bank of Commerce, and Mr. Gilbert, President of the New York Clearing-House Association, are men of fine attainments, and the bankers thoroughly enjoyed the privilege of listening to them. Governor Buchtel and Mayor Speer made addresses of welcome that were not merely graceful and cordial, but that possessed solid merit as well.

And the bankers and people of Denver, what more could they have done to make everybody happy? The local committees had made perfect arrangements for entertaining the convention, and everything went along according to programme. The hotel accommodations were excellent; the bankers of Denver attentive to the wants of everybody; the people of the city courteous, and the weather so fine and perfect that the grouchiest person in the world could have found no fault with it.

Things Said and Done.

The main convention assembled in the Auditorium at Denver, Colo., September 30, Col. J. D. Powers presiding. Governor Henry A. Buchtel, the preacher-Governor of Colorado, welcomed the convention, and here are some things he said:

LEWIS E. PIERSON
Vice-President American Bankers' Association.
(President Irving National Exchange Bank, New York.)

Extracts from Governor Buchtel's Address of Welcome.

I count it a very great honor to have opportunity to voice the welcome of the State of Colorado to the American Bankers' Association. While you are here in Colorado you will be enlarged

HON. HENRY A. BUCHTEL
Governor of Colorado.

by the sight of our mountains, refreshed with our stimulating climate, amazed at the variety of our products of mine and factory and field, and charmed with our cosmopolitan people.

* * * * * * * * *

I am an optimist by nature and by grace. One could not live long in this State, described by President Roosevelt as the playground of the nation, without being an optimist. You know it is the privilege of an optimist to believe that the level of life in this nation, on the moral side, is rising higher and higher every year. And you gentlemen of the American Bankers' Association have had quite something to do and you ought to have still more to do with raising the level of our national life in morals and in commercial integrity. Do you think you appreciate adequately your responsibility to the life of the nation? Your moral quality and your integrity constitute the measure of the nation's commercial life. So you have in your hands the fixing of the moral quality of practically all the business communities in the nation.

Your duty to the nation is very great at all times, but it is particularly great at a time like this when we are trying to find some way to eliminate from our life the periodical business depression. Do you think such periodical financial depressions are necessary? I do not ask whether such depressions are probable. I am asking whether they are really necessary. With the business of the nation conducted in absolute integrity and honor, might not the commercial life of the nation go on always like the life of a man in vigorous health who finds in each succeeding day a constant and a growing joy? If we shall ever come to the place where financial depressions are practically unknown, it will be because the bankers of America shall determine to exercise their vast power in eliminating from our commercial life all unsound speculative features. Sound business methods never include any roseate dreams of getting something for nothing.

We are indeed glad to welcome you to this land of sunshine and hope, because all the discussions in all the sections of this great convention will make clearer and clearer the fact that financial depressions may be practically eliminated from our life. The people of the nation are expecting you to formulate the programmes which must be carried out to keep the commercial life of the nation always in sound health. The confidence of the people in the bankers of America is shown in the fact that the deposits in your care aggregate approximately fourteen billions of dollars while the total amount of money of all sorts in the nation is approximately only three billions of dollars.

In working out your plans for secur-

ing and maintaining sound health in the commercial life of the nation you will naturally consider the question of making all banks safe for all depositors. While you are making your vaults safe from assaults from the outside, you must also make them equally safe from assaults from the inside.

The Comptroller of the Currency is reported to have said in an address to Eastern bank examiners a week ago:

"I say to you emphatically that your work must be improved. Embezzlements have failed of discovery, defalcations and dishonesty have been concealed from you, and in many cases you have failed to correctly or even approximately estimate the value of the paper and securities held by the bank."

It is for you gentlemen of the American Bankers' Association to find a substitute for the inefficient and semi-political examination of banks which is now maintained. It is only by the expert and searching scrutiny of bankers themselves, with their staffs of men of experience and inside knowledge, that you secure an adequate inspection of the condition of any bank. Is it possible for an inspector to know the value of paper which is signed by names which mean nothing to him? You must find the method of making banks strong and safe so that guarantees of deposits would be as unnecessary as guarantees of government bonds.

Another question which must have an adequate answer by you is the question of an elastic currency. The programme which the nation will adopt will be that programme which shall be approved by the American Bankers' Association. You must take time for it. You must study all the financial methods of the other great nations, and you must come together yourselves in finding the way to give to this nation an elastic currency. Has the average politician any adequate equipment for the solution of this complex and great problem? You do not need the advice of a peripatetic and perennial candidate for office who shouts himself red in the face in explaining to you his method of providing a banking and currency system which shall serve the needs of the people in every emergency. You rather need the temper of the patient and honest student who, with all knowledge of history and of the present banking methods of the world, shall find for us what we need to handle—the swiftly growing business of this richest nation in history. It is very evident that we can learn something from other nations when you recall what happened last Fall. It required two months to bring one hundred millions of dollars in gold to this country from Europe, while the Imperial Bank of Germany increased its note circulation by the same amount in one week. Consider what an immense amount of harm would have been prevented if we, with our gigantic resources of real wealth, could have increased our available cash by one hundred millions in one week. Last November the Bank of England had only $165,000,000 in gold reserves, while the United States Treasury had $900,000,000 in gold reserves. Yet we suspended cash payments while London was shipping gold to New York.

The clearing house methods which you have developed, without authority of law, have been an unmixed blessing for the commercial life of the nation. That clearing house certificate is an interesting document. It is a notice to the excited depositor which reads in effect as follows: "Your money is here. It is all here. We are taking care of it for you. Go home and put an ice bag on your pulse. Walk out into the open and note the fact that we are living in a very, very beautiful world."

Could you not find another method of preventing the periodical financial depressions by maintaining a definite propaganda for the education of the public mind? The American Medical Association sends a lecturer into every part of the country to awaken interest in the prevention of disease. It might be supposed that physicians would be interested in having business good, but it is the American Medical Association

which does more than all other organizations together to arouse interest in the question of keeping all the people well. The American Bankers' Association ought not to be behind the American Medical Association in interest in the public welfare. You ought to have in the service of the American Bankers' Association a few gifted men who would go into every part of the country and make clear the facts about banking and currency in lectures before commercial bodies, trades unions, schools, colleges, universities and people of all sorts and conditions. All the people need to be made to understand that you can not in one day or in one month pay fourteen billions of deposits with a sum total of three billions of cash.

BROWN PALACE HOTEL
Convention Headquarters.

We all believe that this republic will live forever. We all believe that we shall make here a nation that will become increasingly free, civilized, educated and religious. Your part is conspicuous in this glorious program of making a nation which shall be as great in moral integrity as it is great in material wealth. We all believe that the members of the American Bankers' Association will meet their obligations to the nation with large intelligence and with absolute sincerity.

When the applause following the address of Governor Buchtel had subsided, President Powers introduced Hon. Robert W. Speer, Mayor of the

City and County of Denver, who made the following felicitous speech:

WELCOME BY HON. ROBERT W. SPEER.

Mr. President, Ladies and Gentlemen: Money is sought for more universally than anything else in life, and

HON. ROBERT W. SPEER
Mayor of Denver.

it is only natural that the men who handle, and, to a large extent, control, the currency of this country, should be looked up to by all classes of people. Denver, as one of the newest cities of this country, is especially glad to greet and welcome your association. You have heard of western hospitality. It is only nature freed from restraints and formalities—an honest impulse coming directly from the heart.

Denver is young in years, but she is great in expectations. Her credit is good because she has large assets and promptly meets her obligations. She has never overdrawn her account, and, for her age and size, has as small a debt as any city in this country.

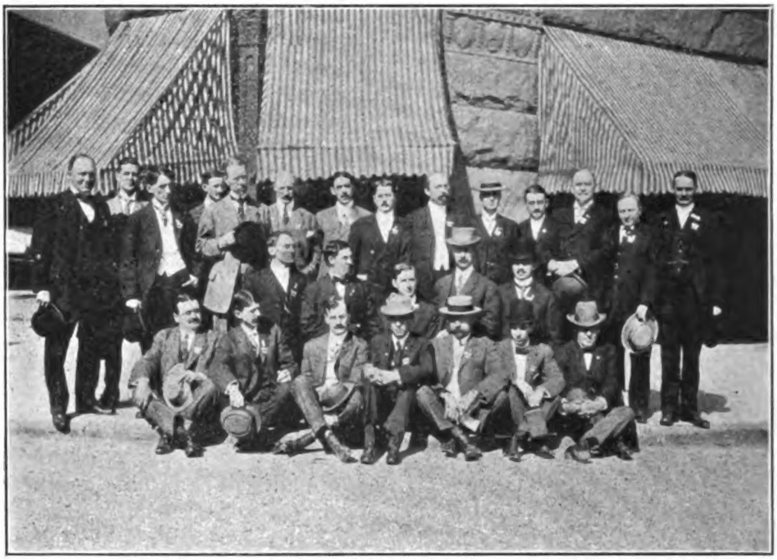
In our journey through life we devote our energy, time and best thought along special lines. Your views are sought after on financial questions because you have made them your special study. Yet I believe that we all or many of us become so intent at our own work that we fail to fully appreciate and understand the work of others. There are two kinds of currency: One issued by the government and sought for what it gets; the other issued from the heart and valuable for what it gives. Hand money and heart money! They are both issued in all denominations, so as to meet our every want. We are rated by the amount we can gather in of the one and give away of the other. In one case we are enriched by getting it, while in the other case we are enriched by giving it. There are debts and obligations which can and must be paid in cash, but there are others which can only be paid in deed, kind words and good thoughts. These currencies are not interchangeable, and many mistakes have been made in life by trying to pay the debt of the one with the money of the other. Injustice has ever been done by judging men by their heads and cash rather than by their hearts and deeds. I have known men rich in one currency to be paupers in the other. Friends, health and happiness have been sacrificed for gold and silver, which only accompanies us to the grave, while heart money scatters sunshine and roses in this life and passes death as an individual credit in the life to come.

We judge men too much by their accumulations. The time will come when they will be judged more by their dis-

A Quartette from Pittsburgh at the Convention.

bursement. It requires a greater man to rightly give away money than to make it, and I feel confident that it will not hurt the bankers of this country and all classes of people to stop occasionally counting gold and figure up their assets in heart money.

It is the earnest desire of our citizens that your stay on earth may be as pleasing as they would have your sojourn to be in Denver and that your journey after death may have as grand scenery and pleasant surprises as you will find in your trips through Colorado, where the mountains of Switzerland are united to the Valley of the Nile with ribbons of gold.



Group of Founders of the American Institute of Banking.

President Powers next delivered his annual address, which was devoted largely to opposition to the deposit-insurance proposition.

Nuggets from the Addresses.

President Wilson, of Princeton University: The abstract principles of Socialism it is not difficult to admire. They are, indeed, hardly distinguishable from the abstract principles of Democracy. The object of the thoughtful Socialist is to effect such an organization of society as will give the individual his best protection and his best opportunity, and yet serve the interest of all rather than the interest of any one in particular; an organization of mutual benefit, based upon the principle of the solidarity of all interests. But the programme of Socialism is another matter. It is not unfair to say that the programmes of Socialism so far put forth are either utterly vague or entirely impracticable. That they are now being taken very seriously and espoused very ardently is evidence, not of their excellence or practicability, but only of the fact to which no observant man can any longer shut his eyes, that the contesting forces in our modern society have broken its unity and destroyed its organic harmony—not because that was inevitable, but because men have used their power thoughtlessly and selfishly, and legitimate undertakings have been pushed to illegitimate lengths. There has been an actual process of selfish segregation, and society has so reacted from it that almost any

thorough-going programme of reintegration looks hopeful and attractive. Such programmes cannot be thrust aside or defeated by mere opposition and denial; they can be overcome only by wiser and better programmes, and these it is our duty as patriotic citizens to find.

B. E. Walker, President Canadian Bank of Commerce: Any purpose I have in reading this paper will be amply served if I can for one brief moment lay emphasis upon the disagreeable fact that while reform in the banking and currency systems of the United States is absolutely necessary, there is no probability whatever that any substantial reform will take place at the moment.

Alexander Gilbert, President New York Clearing-House Association: I am not here to apologize for anything the New York bankers did during the panic, for when the truth is known as generally in the West as in the East, it will be recognized that the checking and subsequent control of the panic of 1907 was due not alone to the prompt action of the New York clearing house, but to the fact that the clearing house banks of New York constitute the most powerful and conservative banking influence in the country.

Resolutions Adopted.

"Resolved, That the American Bankers' Association, in convention assem-

A Glimpse of the Exhibits.

New York Bankers Taking a Constitutional.

bled, protests against and condemns as unwise and hurtful to the interests of the country, all proposals for legislation to establish postal savings banks in this country."

"Resolved, That the American Bankers' Association is unalterably opposed to any arbitrary plan looking to the mutual guaranty of deposits either by a state or the nation, for the following reasons:

1. It is a function outside of state or national government.
2. It is unsound in principle.
3. It is impractical and misleading.
4. It is revolutionary in character.
5. It is subversive to sound economics.
6. It will lower the standard of our present banking system.
7. It is productive of and encourages bad banking.
8. It is a delusion that a tax on the strong will prevent failure of the weak bank.
9. It discredits honesty, ability and conservatism.

10. A loss suffered by one bank jeopardizes all banks.

11. The public must eventually pay the tax.

12. It will cause, and not avert panics."

Both the Trust Company Section and the Savings Bank Section adopted resolutions opposed to the guaranteeing of deposits.

New Officers.

President, George M. Reynolds, president Continental National bank, Chicago, Ill.; vice-president, Lewis E.

P. C. KAUFFMAN
Treasurer American Bankers' Association.
(Second Vice-President Fidelity Trust Company, Tacoma, Wash.)

Pierson, president Irving National Exchange bank, New York, N. Y.; treasurer, P. C. Kauffman, of Tacoma, Wash.

For members of the executive council, as nominated at conventions of state associations and certified to this association by the secretaries of the respective state associations: James M. Elliott, president First National bank, Los Angeles, Cal.; George W. Peltier, vice-president California National bank, Sacramento, Cal.; Fred G. Moffat, cashier First National bank, Denver, Colo.; Alfred Spencer, Jr., cashier Aetna National bank, Hartford, Conn.; Bion H. Barnett, president Barnett National bank, Jacksonville, Fla.; L. A. Goddard, vice-president State bank, Chicago, Ill.; H. A. Chapman, director Jersey State bank, Jerseyville, Ill.; Walter W. Bonner, cashier Third National bank, Greensburg, Ind.; Charles H. McNider, president First National bank, Mason City, Iowa; Charles M. Sawyer, president First National bank, Norton, Kan.; Logan C. Murray, president American National bank, Louisville, Ky.; George W. Bolton, president Rapides bank, Alexandria, La.; James R. Edmunds, vice-president National Bank of Commerce, Baltimore, Md.; William Livingstone, president Dime Savings bank, Detroit, Mich.; James A. Latter, vice-president Swedish-American National bank, Minneapolis, Minn.; T. W. McCoy, assistant cashier First National bank, Greenville, Miss.; David H. Pierson, cashier Bank of the Manhattan company, New York city, N. Y.; Hiram R. Smith, president Bank of Rockville Center, Rockville Center, N. Y.; Luther W. Mott, vice-president and cashier First National bank, Oswego, N. Y.; John F. Bruton, president First National bank, Wilson, N. C.; C. E. Batcheller, cashier First National bank, Fingal, N. D.; E. W. Bixby, cashier First National bank, Ironton, Ohio; F. J. Woodworth, vice-president First National bank, Cleveland, Ohio; J. C. Ainsworth, president United States National bank, Portland, Ore.; William A. Law, vice-president Merchants' National bank, Philadelphia, Pa.; Robert E. James, President Easton Trust company, Easton, Pa.; W. L. Gorgas, cashier Harrisburg National bank, Harrisburg, Pa.; A. S. Beymer, cashier Keystone National bank, Pittsburgh, Pa.; Edwin W. Robertson, president National Loan and Exchange bank, Columbia, S. C.; J. C. Bassett, president Aberdeen National bank, Aberdeen, S. D.; John M. Miller, Jr., vice-president and cashier First

National bank, Richmond, Va.; Miles C. Moore, president Baker-Boyer National bank, Walla Walla, Wash.; Robert L. Archer, cashier West Virginia National bank, Huntington, W. Va.

For members of the executive council from states and territories where the membership in the American Association is less than 100, the total membership aggregating 581 members: W. V. Cox, president Second National bank, Washington, D. C.; L. A. Coate, vice-president Bank of Commerce, Boise, Idaho; Frank Knox, president National Bank of the Republic, Salt Lake City, Utah.

For member of the executive council representing the trust company section: Oliver C. Fuller, chairman executive committee, president Wisconsin Trust company, Milwaukee, Wis.

For member of the executive council representing the savings bank section: Edward L. Robinson, vice-president Eutaw Savings bank, chairman executive committee, Baltimore, Md.

For member of the executive council representing the clearing house section: E. R. Fancher, chairman of the executive committee, cashier Union National bank, Cleveland, Ohio.

For member of the executive committee representing the American institute of banking: J. H. Puelicher, chairman of the executive council, cashier Marshall & Ilsley bank, Milwaukee, Wis.

Trust Company Section—President, A. A. Jackson, vice-president Girard Trust company, Philadelphia, Pa.; vice-president, H. P. McIntosh, president Guardian Savings and Trust company, Cleveland, O.

Savings Bank Section—President, John H. Johnson, president Peninsular Savings bank, Detroit, Mich.; first vice-president, William R. Creer, secretary Cleveland Savings and Loan company, Cleveland, Ohio; for three members of the executive committee, to serve three years: W. T. Ravenscroft, president Federal State and Savings bank, Denver, Colo.; A. W. Johnston, treasurer Schenectady Savings bank, Schenectady, N. Y.; Robert J. Wood, chairman board of directors Interstate Trust and Banking company, New Orleans, La.

Statistics.

MEMBERSHIP BY STATES.

(To August 31, 1908, Inclusive.)

Alabama	123	New Jersey	221
Alaska	10	New Mexico	36
Arizona	41	New York	829
Arkansas	121	North Carolina	122
California	353	North Dakota	171
Colorado	134	Ohio	438
Connecticut	141	Oklahoma	204
Delaware	28	Oregon	116
Dist. Columbia	29	Pennsylvania	786
Florida	100	Rhode Island	38
Georgia	253	South Carolina	108
Idaho	76	South Dakota	142
Illinois	654	Tennessee	103
Indiana	315	Texas	259
Iowa	344	Utah	36
Kansas	322	Vermont	57
Kentucky	136	Virginia	163
Louisiana	135	West Virginia	122
Maine	75	Washington	167
Maryland	147	Wisconsin	274
Massachusetts	234	Wyoming	43
Michigan	337	Canada	5
Minnesota	321	Cuba	4
Mississippi	126	Hawaiian Islands	8
Missouri	341	Mexico	13
Montana	110	Porto Rico	1
Nebraska	250	West Indies	1
Nevada	34		
New Hampshire	46	Total	9,803

Mr. Barrett Telling a "New" Story.

Six hundred and ninety-one (691) members were erased from the roll through failure, liquidation, consolidation and withdrawal. This brought the membership September 1, 1907, to eighty-five hundred and sixty (8,560).

Twelve hundred and forty-three (1,243) members have joined the Assotion since that date. Notwithstanding the fact that a large proportion of the dues payable for the fiscal year ending August 31, 1908, were collected during the panic period, we now have a total paid membership of ninety-eight hundred and three (9,803), being a net gain over last year of five hundred and fifty-two (552).

	Paid Membership.	Annual dues.
Sept. 1st, 1875......	1,600	$ 11,606.00
Sept. 1st, 1885......	1,395	10,940.00
Sept. 1st, 1895......	1,570	12,975.00
Aug. 31st, 1905......	7,677	127,750.00
Aug. 31st, 1906......	8,383	137,600.00
Aug. 31st, 1907......	9,251	150,795.00
Aug. 31st, 1908......	9,803	160,600.00
Interest on bonds		4,650.00
Interest on bank balances		1,115.94
Making the total income..		$166,365.94

MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

NATIONAL SHAWMUT BANK, BOSTON.

MANY banks have been accused of extravagance in erecting costly buildings to be used solely for the accommodation of their own business.

The National Shawmut Bank building, to the contrary, presents a rare example of a well-conceived combination of bank and office building which nets the bank four per cent. on the investment, not including any charge for rent of the banking rooms.

The building is in the heart of Boston's business section, facing on Devonshire, Congress and Water streets, and fronting the Post-office. It provides ample facilities for carrying on the great business of the bank, which, by its rapid growth, is now one of the great banks of the country, and remains, as for many years past, the largest banking institution in New England.

Large figures are needed to show the volume of this business. Deposits aggregate about $86,000,000 and daily deposits run from $18,000,000 to $20,000,000. The bank has more than 7500 accounts, and handles the Boston business of a vast number of country banks in New England and throughout the country.

The credit system has been developed to a high degree of efficiency, and the bank is daily called upon by out-of-town banks for information along these lines.

Office of the President.

A large force of clerks, working at night, take up and carry on the work of the day force, handle the immense mails from the Post-office and despatch for the night and early morning trains letters to banks all over the United States and Canada.

The bank plays an important part in the business interests of New England, and

WILLIAM A. GASTON
President National Shawmut Bank, Boston.

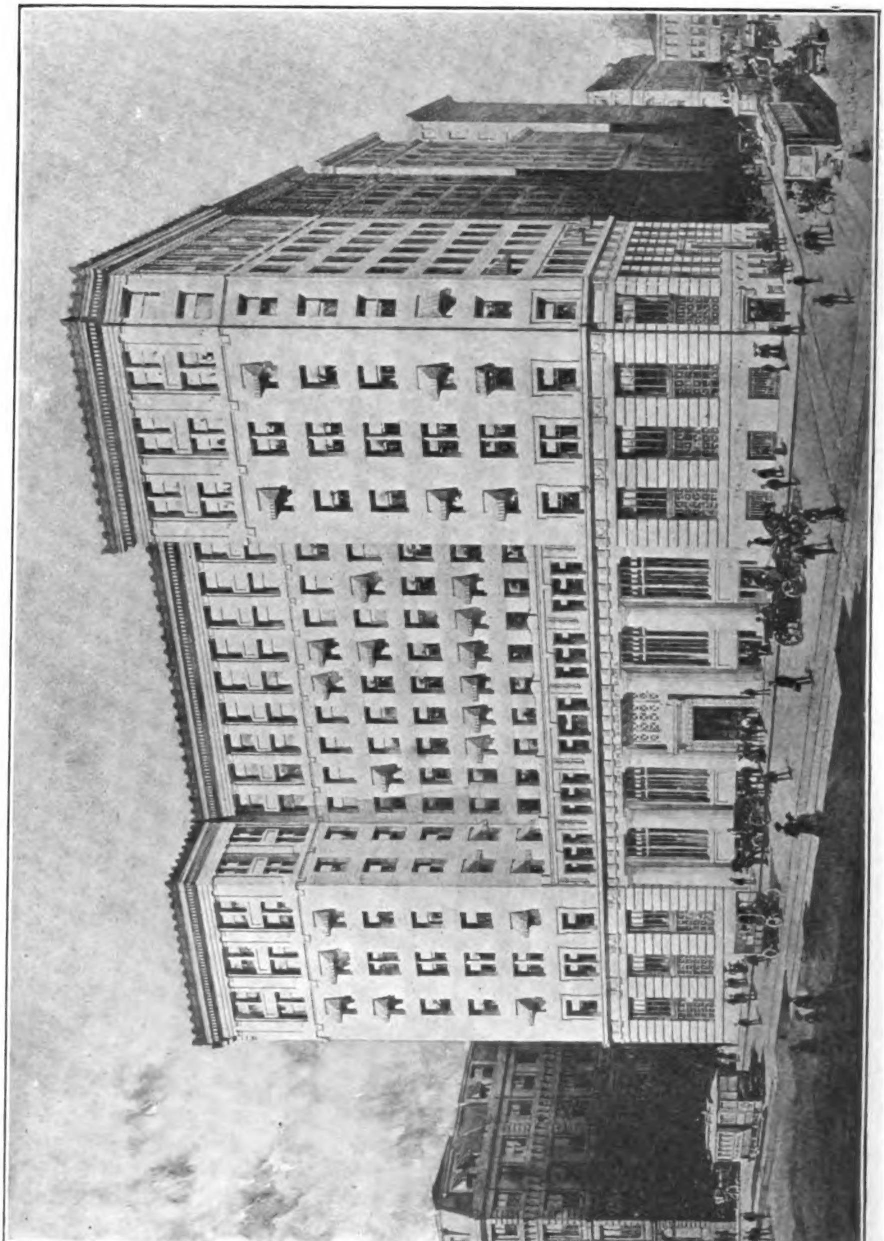
Main Banking Room.

finances operations of great magnitude. During the recent panic, it furnished cash for pay rolls without interruption besides materially assisting many out-of-town banks to acommodate their customers.

Although one of the largest banks in the country the National Shawmut Bank by no means refuses small accounts. It has a large percentage of customers whose average deposits are under $500 and it gives these accounts as careful attention as those of the larger customers.

One of the features of the banking rooms is the accommodation that has been pro-

Banking Room from Mezzanine Floor.

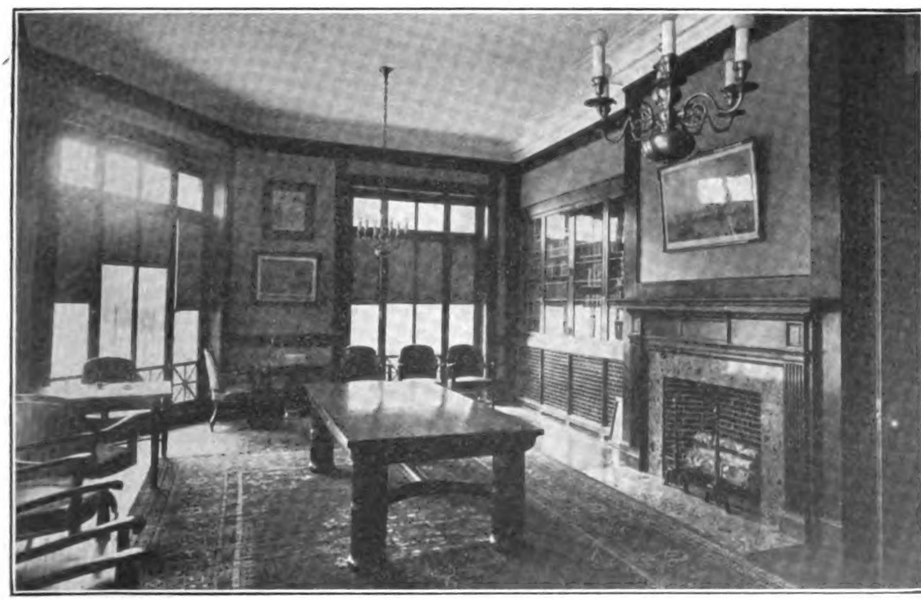


National Shawmut Bank Building, Boston.

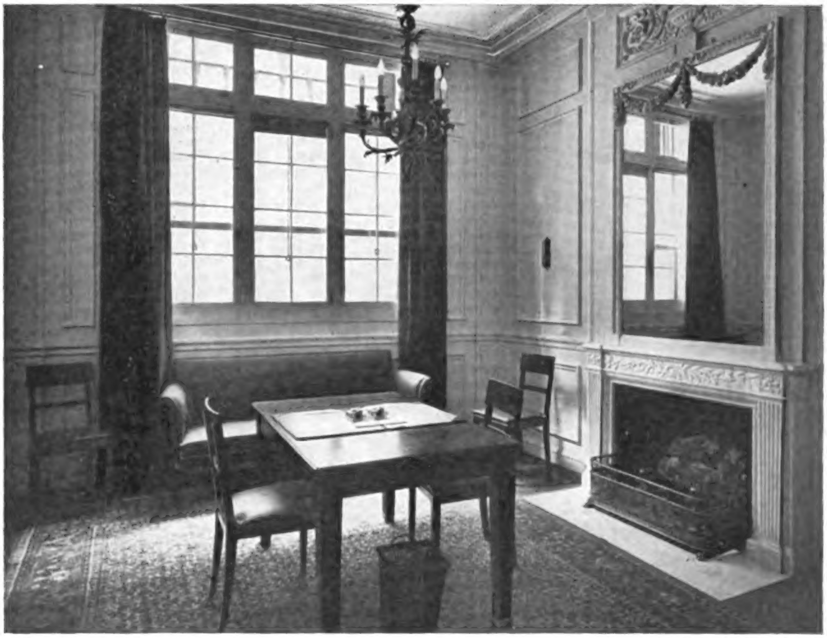
Out-of-Town Correspondents' Room.

vided for the convenience and comfort of customers. Rooms have been fitted up for use by out-of-town bank men visiting Boston, and there are also attractively appointed rooms for individual customers, as shown in the illustrations.

As an indication of the success of the bank from the stockholders' standpoint, it may be said that the dividend rate has recently been increased from 8 to 10 per cent. During the ten years that the bank has been in operation, it has divided less than one-third of its earnings, and now has a surplus of four and one-half millions.



Customers' Room.



Ladies' Room.

Government bonds are carried at par, other securities below the market value, and $75,-000 is charged off annually on the bank building. In view of these facts, the directors have considered it proper that a larger portion of the surplus income be distributed among the stockholders.

The dividend rate was advanced last in

Directors' Room.

1906, when an increase from 6 to 8 per cent. was made.

The officers of the Shawmut Bank are as follows: William A. Gaston, President; Francis B. Sears, Harold Murdock, Charles A. Vialle, Abram T. Collier, and Henry D. Forbes, Vice-Presidents; Frank H. Barbour, Cashier; Wallace S. Draper, Henry F. Smith, and Frank Houghton, Assistant Cashiers.

The character of men who make up the directorate of the bank is shown by the following list of directors: James P. Stearns, Chairman; Oliver Ames, Treasurer Oliver Ames & Son Corporation; Frank B. Bemis, of Estabrook & Co.; Timothy E. Byrnes, Vice-President New York, New Haven & Hartford Railroad; Charles F. Choate, Jr., of Choate & Hall; Micajah P. Clough, of C. A. Coffin & Co.; Charles K. Cobb, lawyer; Harold J. Coolidge, of Loring, Coolidge & Noble; Francis A. Foster, of Francis A. Foster & Co.; William A. Gaston, President; Edwin Farnham Greene, Treasurer Pacific Mills; Daniel B. Hallett; Henry L. Higginson, of Lee, Higginson & Co.; Henry S. Howe, of Lawrence & Co.; Charles A. Locke, of Locke, Tolman & Co.; Frederick S. Moseley, of F. S. Moseley & Co.; Harold Murdock, Vice-President; Joseph B. Russell, Treasurer Boston Wharf Company; Francis B. Sears, Vice-President; William S. Spaulding, of Revere Sugar Refinery; Charles A. Vialle, Vice-President; Frank G. Webster, of Kidder, Peabody & Co.; C. Minot Weld, President New England Cotton Yarn Company; George W. Wells, President American Optical Company; Jeremiah Williams, of Jeremiah Williams & Co.; Moses Williams, President State Street Trust Co.; Robert Winsor, of Kidder, Peabody & Co., and Alfred S. Woodworth.

At the last call. of the comptroller the bank submitted the following official statement:

RESOURCES.

Loans and discounts	$51,866,654.92
Bonds, securities, etc.	8.175.345.99
Banking house, etc.	2.966.269.58
Cash, reserve and due from banks	34,309,828.98
Due from U. S. Treasurer	371,000.00
Total	$97,689,099.47

LIABILITIES.

Capital stock		$3,500,000.00
Surplus and profits		4,656,505.14
Circulation		3,144,520.00
Bank deposits	$37,443,529.33	
Individual deposits	46,719,973.51	
U. S. and other deposits	495,769.98	
		84,659,272.82
Bonds borrowed		1,613,000.00
Reserved for taxes		115,801.51
Total		$97,689,099.47

NATIONAL BANK OF CUBA.

THE National Bank of Cuba, of which Mr. Edmund G. Vaughan is president, has recently issued a booklet which explains in a detailed way the strength of this institution and its capacity for service in Cuba. The paid-up capital of the "Banco Nacional de Cuba" is $5,000,000 United States currency, and its surplus and profits July 1, 1908, were over $1,000,000. The bank has 16,000 depositors' accounts in Cuba and its deposits aggregate over $16,000,000.

With head office in Havana, which is the permanent residence of the president and executive officers, the bank has fifteen branches in Cuba and correspondents in every part of the world. Besides the beautiful building recently erected for the home office, sites have been purchased in Santiago, Cienfuegos and Matanzas, where buildings to house the branch offices will be erected conforming in general style and architecture to the head office in Havana. The bank also maintains correspondents in the other towns in Cuba, besides those represented by the branch offices.

The New York agency of the National Bank of Cuba is at No. 1 Wall Street. One of the vice-presidents of the bank makes his home in New York and is in close touch with all the affairs of the bank. The bank also maintains an information department through which it serves customers and correspondents abroad and in Cuba with detailed information in regard to individuals, firms and corporations doing business in Cuba, and also facts relating to Cuban securities, products, exports and imports, etc.

The department of collections is one of the largest in the bank and collections are handled from every part of the world, the object being to give customers the quickest returns and best possible service. The bank is depositary for the funds of the Cuban government and through it all disbursements are made. The general balance sheet of the bank June 30, 1908, showed cash assets of $6,508,971.59, bonds and stocks $5,074,083.06, loans, discounts, etc., $10,142,068.92 and total assets $22,449,873.22.

EDMUND G. VAUGHAN
President National Bank of Cuba.

The complete list of officers and directors follows:

President, Edmund G. Vaughan; vice-presidents, Pedro Gomez Mena, Samuel M. Jarvis and W. A. Merchant; cashier, H. Olavarria; assistant cashiers, W. A. M. Vaughan, Ernesto Fonts Y Sterling, A. A. Brown; secretary, W. H. Morales. Directors: John G. Carlisle, Pedro Gomez Mena, William I. Buchanan, Samuel M. Jarvis, J. S. Bache, Edmund G. Vaughan, W. A. Merchant, Jose M. Berriz and Ignacio Nazabal.

The booklet is a handsome publication, showing views of the exterior and interior of the head office of the bank in Havana, a map of Cuba and various vignette views in and about Havana, as well as a striking picture of the office of the New York agency. The booklet is the work of the Publicity Department of the Bankers Publishing Co.

NEW HOME OF THE STATE BANK OF HARTFORD, CONN.

IN keeping with the wave of prosperity which is breaking over this country, the State Bank of Hartford, Conn., recently moved into a handsome new building which has been under construction for the past year.

Few banks have succeeded in uniting beauty and utility in such a happy combination as is shown in this commodious home just completed by the State Bank.

The front of the structure, facing on Main street, is faced with Indiana limestone, while surmounting the entrance is an elaborately carved arch, back of which are

New Building for the State Bank, Hartford, Conn.

the panes of glass that light the interior of the lobby.

Just inside the entrance at the left will be found the customers' room, supplied with all conveniences, while to the right is the room occupied by the president and cashier.

The banking room proper is by far the handsomest part of the building and its arrangement is pleasing and convenient.

A great dome of stained glass permits the softened light to fall upon all the working force below, and the tinted walls and bronze grille work also help to make the room attractive.

Throughout all the various departments, tne same good taste is in evidence, as the decorations and furnishings have been selected to harmonize with each other and the general color scheme is cleverly worked out.

Massive steel vaults, reinforced by concrete, have been installed and safe deposit boxes to the number of 500 are provided for renting to customers.

A special ladies' room has not been overlooked, and for the further convenience of lady customers there is a special window and a special teller to attend to their wants.

The directors' room, like the others, is handsomely furnished and is reached by a winding stair from the main floor.

The State Bank was incorporated in 1849, and has been very prosperous, having distributed among its stockholders about 255½ per cent. on its capital, or more than $100,000,000.

Its officers are: George F. Hills, who has been president since 1889, and George H. Burt, who has served equally as long as cashier.

STATE NATIONAL BANK, BOSTON.

THE recent death of Mr. Samuel N. Aldrich, so long president of the State National Bank, of Boston, and the election to that office of Mr. Alfred L. Ripley, again calls attention to one of the oldest banks in Boston and one which has had an exceedingly interesting career.

Some years ago Mr. Amos W. Stetson, who himself was president of the State National Bank for a quarter of a century, wrote a sketch of the institution in which he described its inception thus:

"The Federalists were accused of inordinate devotion to England, hatred of France, and contempt for their own government, while the Democrats were accused of inordinate friendship for France, hatred of England, and seeking the ruin of their own country. The political war cry in this state was Gerry and Freedom or Gore and Debasement. In Congress, the most bitter hostility was manifested to the admission of Louisiana as a state, on the part of the Federalists; and upon the bill to enable the people of Orleans to form a constitution and state government for admission into the union. Josiah Quincy made what was called his greatest speech in Congress, and in that speech gave utterance to language which was just as bitter and rebellious as any ever uttered by Jefferson Davis or any other disunionist."

"It was," adds Mr. Stetson, "amidst such scenes and such conflicts of partisanship the State Bank secured its charter in the year 1811."

It was in consequence of the expiration of the charter of the United States Bank and tne probable need of additional banking capital to alleviate the distress and embarrassment which was thought might result from the expiration of existing charters, that a charter for the State Bank was applied for with a capital of $3,000,000. Among the petitioners were William Gray, Henry Dearborn, Russell Sturgis and John Brazer. After much opposition a bill granting the charter was passed on June 26, 1811, and the State Bank was authorized to do business from October 1, 1811, to October 1, 1831.

The State Bank was the fourth bank chartered by the state of Massachusetts, the charters previously granted being for the Massachusetts, the Union and the Boston Bank, the last named being under the control of the Federalists.

The provisions of the bill chartering the State Bank were peculiar and unique. The capital stock was to consist of not more than $3,000,000 in gold and silver, in addition to such amount as the Commonwealth should subscribe, and divided into shares of $100 each, to be paid in five equal installments. There were also as at present certain provisions for holding directors personally liable in case the debts exceeded twice the amount of capital stock actually paid in. The charter further provided for loans to the Commonwealth, if required, at a rate not to exceed 5 per cent. per annum and the Commonwealth might become interested in the bank to the amount of $1,500,000 in addition to the original capital of $3,000,000. One-tenth of the funds of the bank must also always be appropriated to loans to be made to citizens of the Commonwealth not resident in "the town of Boston," and in making such loans the directors were to "wholly and exclusively regard the argricultural and manufacturing interests."

Varying amounts of stock were apportioned to the different counties. Committees were appointed for each county and although "tempest and storm or partisan malignity and hate" were encountered, the amount was subscribed by about 1600 stockholders, and the first meeting was held in the Boston Exchange Coffee House Aug. 29, 1811. At a subsequent meeting by-laws were adopted and a board of directors chosen. William Gray was elected the first president and John P. Clark, cashier. October 30, 1811, the bank gave notice that it was ready for business. A few months after commencing business the bank bought the old United States Bank building on State street, between Kilby and Congress streets, for $40,500.

During its early years the State Bank was a zealous and efficient supporter of the government and thereby involved itself in heavy financial transactions, by which more than two-thirds of its capital was absorbed and was due to the bank from the United States. After lengthy negotiations, however, a settlement was effected, but not without loss to the bank.

January 17, 1817, the stockholders voted to reduce the capital stock from $3,000,000 to $1,800,000, scaling the par value of the stock to $60 and paying back $1,200,000 to the stockholders.

It is interesting to note that in 1825 the salary of the president was increased from $1,000 to $1,600, in recognition of the valuable services of the then incumbent Mr. E. A. Bourne, he having been on duty at the bank every business day for two years, without vacation.

In 1836 the Legislature declared the bank's charter void at the instance of certain parties who had been offended in not being able to secure for themslves all the accommodation they desired, on the ground that by charging exchange on checks and drafts when money was stringent, it had violated the usury laws. A petition signed by leading business men and ably supported, however, induced the next session of the Legislature to reverse its decision before the annulment of the charter took effect, it being shown that the custom of the State Bank was general with all the banks and fully agreed to by its customers.

In April, 1865, the bank became a national banking association under the name of the State National Bank. In the same year the capital was increased to $2,000-000, a stock dividend of $200,000 being declared.

The State Bank has had its share of reverses, particularly in 1867, when by the connivance of its cashier with a United States' treasury official the bank became involved to the extent of nearly a million dollars, a portion of which was recovered, making a final loss, however, of fully half that sum. The bank passed through all its troubles with honor, however, and stands today one of the most respected institutions in Boston.

Late in 1901 the National Hide and Leather Bank was merged into the State National and Mr. Ripley, vice-president of the former bank, became vice-president of the State and A. L. Aiken, of the Hide and Leather, was made assistant cashier. Mr. Aiken has since been elected president of the Worcester County Institution for Savings. For many years the State Bank was located in the Union building at 40 State street, removing from there to the corner of Water and Devonshire streets, in 1902.

When the Second National absorbed the Suffolk the State Bank availed itself of the opportunity of securing the latter's fine rooms on the ground floor of the State Mutual building, 50 Congress street, and removed there February 15, 1904. These quarters have been handsomely fitted up with thoroughly modern appointments and the State Bank now has one of the most attractive banking rooms in the city, as well as the most up-to-date safe deposit vaults.

Mr. Aldrich, who died last month, resigned the position of Assistant United States Treasurer under President Cleveland to accept the presidency of the State National Bank and during his career was in other ways prominently before the public. It was Mr. Aldrich who took the presidency of the old and decrepit Massachusetts Central Railroad, and carried through to a successful conclusion a reorganization and negotiations which resulted in a profitable lease to the Boston & Lowell Railroad Co. He held many important offices in the town of Marlboro, Mass., where he lived and practiced law for many years, although a Democrat his personal popularity carrying him through in a strong Republican district.

Mr. Alfred L. Ripley, who succeeds Mr. Aldrich as president of the State National, is an able and conservative banker of long experience. Twenty years ago Mr. Ripley became a director of the Hide & Leather Bank, then located in the New England Mutual building on Milk street. One year later he became vice-president of that institution and retained that office until 1901, when the bank was absorbed by the State National. Mr. Ripley became vice-president of the State and has occupied that office until October 1 last, when he was elected president to succeed Mr. Aldrich.

Mr. Allen Curtis, of the Boston bond house of Curtis & Sanger, was elected vice-president of the bank in July of this year.

Mr. Geo. B. Warren has been cashier of the bank since 1886 and Mr. W. F. Burdett was appointed assistant cashier in 1908.

The full board of officers and directors, as at present constituted, is as follows: President, Alfred L. Ripley; vice-president, Allen Curtis; cashier, George B. Warren; assistant cashier, W. F. Burdett. Directors: Frederic Amory, treasurer of the Jackson Co.; Allen Curtis, of Curtis & Sanger; Lester Leland, treasurer Boston Rubber Shoe Co.; Gordon Abbott, president Old Colony Trust Co.; Richard H. Stearns, of R. H. Stearns & Co.; Jacob Rogers, trustee of the J. C. Ayer estate; George G. Davis, of Davis & Furber Machine Co.; A. L. Ripley, president; A. D. Foster, president N. E. Mutual Life Insurance Co.; Frank W. Stearns, of R. H. Stearns & Co.; Charles E. Cotting, treasurer Fifty Associates; Robert H. Stevenson, Jr., of Farnsworth, Thayer & Stevenson; S. Parker Bremer, of Parker, Wilder & Co.; Lewis P. Bartlett, Jr., of B. F. Spinney & Co.

The latest official statement of the bank follows:

RESOURCES.

Loans and discounts		$8,770,276.41
Bonds and other investments		1,204,277.49
Cash, reserve, etc.		4,536,842.97
Due from U. S. Treasurer		29,200.00
Total		$14,540,596.87

LIABILITIES.

Capital stock		$2,000,000.00
Surplus and profits		1,732,216.00
Circulation		214,500.00
Bank deposits	$3,778,219.86	
Individual deposits	6,670,661.01	
U. S. deposits	50,000.00	10,498,880.87
Bonds borrowed		70,000.00
Reserved for taxes		25,000.00
Total		$14,540,596.87

HAROLD A. DAVIDSON
President Lafayette Trust Co. of Brooklyn, N.Y.

HAROLD A. DAVIDSON, president of the Lafayette Trust Co. of Brooklyn, the institution that has risen out of the wreck of the Jenkins Trust Co., has had a most successful career as a banker, and during his twenty-one years of service in a number of New York and Brooklyn banks, he has figured prominently in the organization of several of them.

Mr. Davidson has been in the service of the American Exchange National Bank; was for a time with the Brooklyn Trust

Co.; has been with the Mutual Alliance Trust Co. in the capacity of assistant-secretary and office manager; with the Home Trust Co. as secretary and general manager, and during the reorganization of the Jenkins Trust Co., and its subsequent reopening as the Lafayette Trust Co., he held the office of president.

While affiliated with the Mutual Alliance Trust Co., Mr. Davidson reorganized one of its offices and established the downtown or Hanover Square branch.

The Home Trust Co. he organized entirely, establishing it firmly with its three offices, and the financial standing of that institution to-day may be attributed to his earnest endeavors in its behalf.

The Jenkins Trust Company, which closed last winter and which was probably the hardest hit of any that did close in New York or Brooklyn, has in five months' time been successfully reorganized by Mr. Davidson, as the Lafayette Trust Co.

To accomplish this last undertaking, it was necessary for him to secure strong financial support from other banks and individuals and to induce the depositors to consent to a deferred payment plan at the rate of ten per cent. per month, but all of these obstacles he overcame and besides he has secured over a thousand new depositors within this comparatively short time.

It was thought that the change in the Banking Law, made last April, which requires an increase in the capital stock of the company by $100,000 for each branch maintained, would make it difficult to secure the new capital for the Lafayette Trust Co., but Mr. Davidson, with a confidence born of success, has been able to raise more than $200,000 new capital. This is clearly indicative of the high regard and esteem which depositors of the company and banker-friends of Mr. Davidson feel for his ability as a president and organizer.

He is known to many bankers as the first president of the Banking Publicity Association, and he has made a close study of business systems, particularly such as relate to the business-getting, and retaining ability of a bank.

BOOK REVIEWS.

ALL BOOKS MENTIONED IN THESE NOTICES WILL BE SUPPLIED AT THE PUBLISHERS LOWEST RATES BY THE BANKERS PUBLISHING COMPANY, 90 WILLIAM STREET, NEW YORK.

Le Marche Financier. By Arthur Raffalovitch, 1907-1908. Paris: Felix Alcan.

Monsieur Raffalovitch, the Russian financial agent in Paris has added to his many services to economic research by bringing out the seventeenth annual volume of his review of the money markets of the world. The work is without a rival in any language in the comprehensive information which it presents regarding movements in the money and security markets and all the elements which affect values. A review of foreign trade, of the operations of the great banks, of changes in taxation, of the production and distribution of the precious metals, and many other matters fall within the scope of the generous volume of 746 pages which contain the narrative of the past year. The leading countries of Europe, the United States, and Japan have separate chapters. There is also, as usual, a chapter on monetary questions, which brings together for comprehensive treatment matters affecting changes in the monetary laws and systems of the countries of the world, including the important problem of exchange in the Orient. The article on the United States fills more than one hundred pages and is naturally of marked interest as revealing the foreign view of the crisis of last Autumn.

The work of N. Raffalovitch is an almost necessary adjunct to the library of every practical financier and student who wishes to be abreast of current financial events and the record which it contains may save many tiresome hours of research in scattered sources.

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Moody's Manual, 1908. New York: Moody Manual Company. (Price $10.)

Moody's Manual for 1908, just off the press, is a much more complete and handy volume than the previous editions have been, and the new features which have been added to this edition will appeal to all investors, bankers, brokers, and those who have need of the very best work of this kind.

There are 2,852 pages of descriptive matter, devoted to a complete history of all traction, electric, industrial, mining and other corporations in which the investor can have any possible interest.

As a special feature of the 1908 book, the alphabetical index has been combined on colored paper, with a special index of railroad systems given also.

The value of the book to all investors, large or small, is further enhanced by accurate maps and tables, which if studied, will give a thorough insight into the financial status of all railroad, industrial or mining corporations, whose stocks are held as investments.

ADJUSTABLE COUPON CERTIFICATES OF DEPOSIT.

IN the June issue of the Bankers Magazine appeared an article under the caption "Adjustable Coupon Certificates of Deposit," describing somewhat in detail the nature and application of this useful banking device. The device is owned and controlled by the Adjustable Coupon Corporation, Petersburg, Virginia, who are offering its use to bankers throughout the country on the most liberal terms.

While the original form, as described in the article above referred to, has proved very acceptable to bankers, having been adopted by a number of the most progressive banks where it has been offered, the company has been diligenty engaged in the meantime in working out various improvements and perfecting both the form and the method of application.

No change has been made in the original and essential principle involved in the construction of this device, that is, the manufacturing of the interest coupons at the time of issue, so that, regardless of the amount deposited, the value of these coupons will accord therewith and correctly represent the interest on the amount deposited, for certain specified periods. Nevertheless important changes have been made in the method of issuing these certificates, and more comprehensive results are obtained by a simpler method, involving less labor and expense. These various improvements are all in the direction of simplifying the process, enlarging the scope of usefulness of the device and reducing the labor and expense to the bank. Both the banks that have already adopted the use of this certificate and those that may hereafter adopt it will be freely given the benefit of all improvements.

A comparison between the earlier and later forms will serve to illustrate and bring out more clearly the improvements that have been made.

The earlier forms consist of the following parts, and in the order named: A stub or signature card, to be signed by the depositor, torn off and retained by the bank, thus furnishing the bank with the customer's signature; second, the certificate proper, which is filled out in ink, practically as the ordinary certificate of deposit is executed; next, several interest checks or coupons, varying in number according to the rate and time for which the certificate is issued; lastly, the pink sheet, which names the terms on which the bank has the use of the device, and which is torn off and retained by the bank for settlement with the company. These sheets are about the size of an ordinary bank draft, and are bound together at the left hand end. They are perforated near the binding, so that each separate sheet may be readily detached, and together, they form a small booklet.

At the left hand end of each sheet in the form is a schedule of figures, so superposed as to register, and so arranged that by punching out the proper figures with a simple hand punch, the amount deposited is indicated on each sheet. In a space provided for the purpose, near the middle of the form, on each sheet, and also arranged to register, the date of deposit is indicated by punching through the form with a perforating dating punch, so that each sheet indicates for itself the date on which the deposit is made. At the right hand end of each interest check or coupon is a schedule of figures, similar in appearance to that placed on the left hand end of all the sheets. This is used to indicate the value of each interest check. This schedule at the right hand end of the coupons is differently headed, so that each figure in this schedule at the right hand end represents 1% of the corresponding figure in the schedule at the left hand end. When the same figures are punched in the schedule at the right hand end as were punched in the schedule at the left hand end, the value of each interest coupon will be thereby indicated, and shown to be 1% of the amount deposited, which amount is punched in the schedule at the left hand end. In other words, these coupons are manufactured on a 1% basis, each interest check representing 1% of the deposit.

A bank paying 3% interest on deposits will thereby pay three 1% interest checks per year, instead of paying 3% once a year. A bank paying 4% interest on deposits will pay four 1% interest checks per year, instead of paying 4% once a year. This makes it necessary to attach as many interest checks for each year as the number of units in the rate paid. That is, three coupons for 3%, four coupons for 4%, etc. These may be duplicated for as many years as it is desired to issue the certificate. For example, a 4% certificate, issued for three years, would have twelve interest checks attached. The interest is paid at certain stated periods, called "interest periods." These may be fixed in the discretion of the bank, but certain dates have been adopted as the most convenient. For a 3% certificate, Jan. 1, May 1, and Sept. 1; for a 4% certificate, Jan. 1, Apr. 1, July 1, and Oct. 1. These dates are printed on the interest checks, successively, so that each check shows its date of maturity.

This, in brief outline, is the plan described more particularly in the article above referred to, which appeared in the June issue of The Bankers Magazine. Every one interested in acquiring a thorough understanding of this useful device should carefully read this article in the June issue. The device has had an enthusiastic reception by bankers, in as much as it offers a simple and effective means of building up

the time deposit business and of taking care of the accounts. It furnishes the best advertising medium and proves attractive to depositors. It also simplifies and reduces the labor of the bank, thereby reducing the expense of handling the business.

Nevertheless, certain minor difficulties present themselves in this original plan of operation, and the company has been laboring to eliminate these difficulties, with the result that an instrument about as nearly perfect, for the purposes contemplated, as human ingenuity can devise, has been produced. Attention is especially directed to the imperfection in the original forms, and the manner in which they have been met.

Objection was made to the dating punch provided for. This was found to be quite an expensive instrument, and the date indicated by punching through all the sheets in the space reserved for the purpose was not made as clear as might be desired. In overcoming this difficulty a dating schedule has been provided and placed near the bottom of the form, by means of which the date of deposit is recorded, using the same simple hand punch as is used in punching the amount in the schedules at the two ends.

Another objection was made to the fact that the date of maturity is printed on each interest check and thereby definitely determined; so that if the form provided should not be used in a comparatively short time, the first maturing coupon would run out of date. In issuing the certificate thereafter this first coupon must be detached. Similar results would follow with the second, third and so on, should the forms be kept on hand for a considerable length of time. This proved no inconsiderable difficulty, as banks objected to the waste involved, and the fact that if the certificates were not promptly issued, their life was curtailed by that much.

To overcome this difficulty, another small schedule, provided for the purpose, was placed at the top of the form, so that by a single stroke of the hand punch, when the certificate is issued, the date of maturity of each interest coupon is recorded upon the coupon itself, thus manufacturing the coupons as to date, as well as in amount, at the moment of issue. This makes them practically perpetual, so that there is no waste of coupons, expired by limitation.

This last improvement gave rise to the suggestion of too many schedules, producing more or less confusion. To overcome this difficulty, by a further step in the development of the process, the two dating schedules, that is, those at the top and bottom of the form, were combined, and by an ingenious arrangement, the date of deposit is recorded upon the signature card, pink sheet and certificate and the proper due date is recorded upon each interest check by one and the same stroke of the hand punch. This removes all confusion and liability to error in that particular, and makes the dating process absolutely simple.

The next objection was the inconvenience in handling the fractional coupon. The necessity for this grew out of the fact that in order to make the records simple, and to be able to determine certain desirable results at any time, it was deemed necessary to have fixed interest dates, as heretofore referred to; for example, for a 3% form, Jan. 1, May 1, and Sept. 1. The coupons or interest checks were made to represent the interest from one interest date to the next, except the first maturing interest check, which, if the deposit were made between two interest dates, would only represent the interest from the date of deposit to the next interest date. For example, if a deposit were made on the first day of March, the first interest check would mature, or become due, on May 1. Hence it would represent the interest, not for a full interest period, but from March 1 to May 1. It was therefore necessary, when punching the value of the interest coupons, which is always 1% of the amount deposited, except in the case of the first maturing coupon, to separate this first maturing coupon from the others, and punch it, not for 1% of the amount deposited, but for the correct amount of interest from the date of deposit to the next interest date.

This correct amount of interest is easily ascertained from a card provided for the purpose, but as the first maturing coupon had to be punched separately, it resulted in some inconvenience, and gave rise to more or less serious objection. This difficulty has been overcome by the improvements made in the form of the dating schedule, so that in the last improvement, the coupons, or interest checks, are made to mature and become payable, not on certain fixed interest dates, but successively at intervals of so many months from the date of issue, and when the date of deposit is properly punched in the dating schedule on the face of the signature card, by punching through all the sheets of the form, the date of deposit is indicated on the signature card, pink sheet and certificate, and on each interest check is indicated its own proper date of maturity. All the coupons therefore represent the interest for a full period, and it is not necessary to punch the first maturing coupon separately. As a further convenience, the order of the sheets has been changed to the following: Signature Card, Pink Sheet, Coupons, or Interest Checks, from one upwards, according to the rate and time, and last the Certificate proper. The schedule heretofore placed only upon the right hand end of the coupons and used to denote their value has been placed upon all the sheets of the form.

This plan involves a slight modification in the method of bookkeeping, which will be explained hereafter. Banks preferring to employ fixed interest dates can still do so without difficulty.

The earlier forms involve the inconvenience of turning back the signature card and certificate when punching the value of the interest check in the schedule at the right hand end. This inconvenience has been removed by placing the schedule on all the sheets of the form, as above stated. This, together with the elimination of the fractional coupon, makes it possible to do all the punching that is required, through all

the sheets at the same time, and according to the schedules on the face of the signature cards. When this is properly done, the correct information is, at the same time, recorded on all the various sheets of the form. This simplifies the process of issuing and materially reduces the labor, giving the most accurate results at the same time.

The latest improvement, while not materially changing the results just indicated, eliminates the schedule at the right hand end of the sheets, thus improving the appearance of the forms and further reducing the labor. This is accomplished by placing the schedule denoting the amount deposited upon the signature card, pink sheet and certificate; and placing upon the interest checks the schedule denoting their value, which corresponds to the schedule originally placed at the right hand end of the interest checks or coupons. These schedules are so arranged on the various sheets that they are superposed and made to register, and, with the same stroke of the punch by which the amount deposited is indicated on the signature card, pink sheet and certificate, the value of each interest check is indicated on the coupons themselves, thus indicating by one process the amount deposited and the value of the interest checks.

This combination schedule may be placed at the left hand end in the position of the schedule denoting the amount in the earlier forms, or it may be enlarged and placed horizontally on the face of the sheets. This latter form may be made very distinct by the proper combination of ink. It also allows more space both for the schedules and for the printed matter, as the schedules are made a back ground and the printed matter placed over them. Either plan may be followed, according to the tastes of the bank, with equally satisfactory results.

This last improvement of the certificate is made still further effective by reversing the schedules and placing them on the back of the sheets. This makes the paper a safety device, and secures the following results:

When the amount deposited is punched in the schedule, as indicated on the face of the signature card, the same stroke of the punch will indicate on the face of the signature card, pink sheet and certificate, the amount deposited. At the same time, it indicates the value of each interest check upon the face of the check itself. When the date of deposit is punched, as indicated on the face of the signature card, it will show on the face of the signature card, pink sheet and certificate, this date of deposit. At the same time, it indicates the date of maturity of each separate interest check on the face of that check itself.

When these various schedules are reversed upon the backs of the several sheets of the form, the same stroke of the punch which records upon the face of the several sheets the information just described shows upon the back of the signature card and the pink sheet the value of each interest check, and the due date of the first maturing interest check, and upon the back of the certificate proper, the value of each interest check, and the due date of the last maturing interest check. It also shows upon the back of each interest check the amount deposited and the date of deposit. The result is that every sheet of the form shows on one side the amount deposited and the date of deposit, and on the other side, the value of each interest check and the date of maturity of one check.

This is a valuable safeguard, and appears to comprehend all the information that could be desired, secured in the smallest compass, and with the least labor. The process is also automatic, and error impossible, provided the correct amount and dates are properly punched on the face of the signature card, which is the first sheet of the form, and directly under the eye of the operator. These improved forms retain all the essential and desirable features of the earlier forms and eliminate all the difficulties, so far developed, thus bringing the device practically to perfection, simplifying the whole process, making it more perfectly automatic, enlarging the scope of its usefulness, and still further reducing the labor and expense.

As suggested above, in eliminating the fractional coupon and making the interest due and payable, successively, at intervals of so many months from date of issue, one slight change is necessary in the system of bookkeeping, in order to secure the most satisfactory results. The bank should retain nominal interest dates, and enter on the register, as heretofore provided, the amount of interest that would accrue from the date of issue to the next interest date, thus far conforming entirely to the original plan, which is explained in detail in the article in the June Bankers Magazine, and which requires no further elaboration here.

Only one point requires modification. It will be necessary to insert an additional column on the debtor's side of the register, wherein to record "Interest accrued since last interest date." When the last interest check is redeemed, or the certificate itself paid, between the theoretical interest dates, the amount of interest which has accrued since the last interest date should be recorded in this column. In making up the total amount of accrued interest on any particular date, the total of this column should be added, as it represents interest not otherwise provided for. With this slight modification, the system of bookkeeping is equally adaptable to the improved forms, and the most satisfactory results obtained with the least labor.

Now to summarize: In this unique device is offered to bankers advantages that were never heretofore attainable, and many useful features not heretofore considered possible. It brings banking within the comprehension of the layman, and removes its mystery (?). It offers to the depositor a simple instrument, which he can understand, and which places in his hands something to represent the money which he has deposited, and also the interest that will accrue thereon. It is clear, specific and convenient. Though he may not be a ready interest reckoner, he can readily understand that

each coupon represents 1% interest, that it shows for itself what it is worth, and when it will be due. The checks can be torn off when due and collected without disturbing the principal or even going to the bank. This makes banking by mail easy. Item, Simplicity, accuracy, certainty, convenience, profit—all that the depositor requires. It calculates the interest automatically at the time of issue, thus eliminating the troublesome interest features of the time deposit business. The weary hours, and perhaps days of difficult interest calculations are no longer necessary. The interest coupons are paid like other checks, and furnish both a voucher and all the necessary information for the records. The bookkeeping is equally simple, convenient and satisfactory. With the least amount of labor, the most comprehensive and desirable results are obtained, and some that were not heretofore obtainable even by the most laborious processes. In short, it secures more business, more pleasant business, more profitable business, more territory and more accuracy, with less force, less bookkeeping, less trouble, less cost and less waste.

A NEW INVENTION.

INVENTIONS and processes of recent completion are now causing much comment among architects and others engaged in structural work, especially in New York. Reference is made here to what is termed Architects Bronze. Investigation discloses the fact that for many years efforts have been made towards successfully casting by electricity of copper upon non-conductive surfaces, such as wood, papier mache, plaster and light materials, especially where applied to the structural work in the interior of buildings.

Experiments have been conducted for many years in various parts of this country as well as Europe and have apparently culminated in Architects Bronze to the entire satisfaction of many of the shrewdest and best-known architects and builders in the country.

This method has been applied especially in the form of fireproofing and in that particular is giving a great deal of satisfaction. The magnificent new building of the Connecticut Savings Bank, at New Haven, has an exceedingly large piece of grill-work in its interior, also window frames, sashes, all being covered with metal by this process and the architects for the same are entirely satisfied, not only with its appearance, but with its evident lasting qualities. It is made to conform to any color scheme or design.

A few years ago eighteen large columns were placed in the Clifton House at Niagara Falls on the Canadian side and having been recently inspected, they are apparently wearing in a most satisfactory manner and the owner of the hotel is pleased with the product.

Letters of recommendation have been received by the manufacturers of this remarkable product which eulogize the work from the standpoint of finish, lightness of structure and durability.

The writer has seen samples of this work at No. 1 Madison avenue, in the Arcade, and is of the opinion that a tremendous field of usefulness has been opened up by the reducing these patents and processes to a commercial basis in so many of its branches. Such work in the past for banks, especially, has been a consideration of vast expense. Balustrades, railings, grill-work and other fixings are all now brought within the reach of every institution, which for a modest sum can now have the most elaborate furnishings and decorations at a minimum of cost. In fact it appears from the figures that such decorations and furnishings are indeed not very far from a comparison in price with hard wood.

CONSCIENCE MONEY FROM NEW YORK.

THE Secretary of the Treasury has received in an envelope postmarked New York one-half of a $500 gold certificate. The other half the sender says was sent to the Custom House in New York. The amount will be deposited in the Treasury and credited to "conscience." In a typewritten, but unsigned note, the sender says: "The product of a New England conscience tinctured with Yankee caution."

HIS FORTE.

"Now," said the warder to the forger, who had just arrived at the prison, "we'll set you to work. What can you do best?"

"Well, if you'll give me a week's practice on your signature, I'll sign your official papers for you," said the prisoner.—*Philadelphia Inquirer.*

CRUEL!

"What did you give your wife for her birthday?"

"A blank check."

"Gee whiz! Can she fill in any amount she wants to?"

"Yep. I didn't sign it."—*Cleveland Leader.*

FINANCIAL ADVICE.

Here is some good advice we give
In quiet undertone:
In lending money to a friend,
Be sure it's not your own,
Thus you may still be bright and gay
In case the debtor does not pay.
—*Toronto News.*

MONEY, TRADE AND INVESTMENTS

New York, October 3, 1908.

THE PRESIDENTIAL ELECTION now about a month removed is having some deterring effect upon the return to prosperity. There seems to be a feeling that when the result of the election is known a revival in business activity will set in, but just how rapid will be the pace oı the improvement is very much in doubt.

In some particulars there is even now some encouragement. As reflected by the bank clearings of the country a change for the better has apparently begun. In the month of September, for the first time in over a year the bank clearings at New York showed an increase as compared with the previous year, while outside of New York the decrease was the smallest since October, 1907. In the percentages of increase and decrease monthly the business situation may be traced since January, 1905, in the following table:

The stock market pursued a somewhat erratic course and the political campaign may have had some influence in causing fluctuations in values. The extent of that influence, however, has been greatly exaggerated in the minds of a certain class of theorists who trace every misfortune, even forest fires, to the hot headedness of the administration. A more impartial and probably a saner view of the recent course of the stock market is that operators are not fully sure of the situation and their views change as quickly as the temperature at this season of the year.

At one time reports of improvement in certain lines of business inspire confidence, at another time, evidence of apathy and dullness still existing, revives doubt, and the passing sentiment of the hour impresses its stamp upon the transactions at the Stock Exchange. That the whole motive power of Wall Street is located in the "Big Stick" wielded by the President

INCREASE OR DECREASE IN BANK CLEARING.

	NEW YORK.				OUTSIDE NEW YORK.			
	1905	1906.	1907.	1908	1905	1906	1907	1908
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
January	35.9	45.3	*14.2	*30.0	9.4	23.0	5.4	*14.9
February ..	60.7	16.9	*11.9	*33.2	7.1	17.2	7.4	*14.1
March	81.7	* 4.1	14.1	*42.5	16.4	10.2	9.4	*16.1
April	81.6	* 1.6	*10.2	*28.4	14.7	7.1	14.0	*14.4
May	62.8	11.5	*16.6	* 9.1	23.2	6.0	13.6	*17.4
June	47.4	16.1	*18.5	*11.2	16.5	8.2	7.5	*13.0
July	31.7	6.1	0.8	* 9.5	15.7	8.8	14.4	*12.0
August	49.9	26.5	*22.0	* 9.9	16.5	9.6	7.7	*13.8
September ..	28.1	21.2	*27.5	12.5	14.9	3.9	7.6	* 5.0
October	7.4	16.4	*12.3		13.4	12.8	7.3	
November ..	2.4	0.8	*36.1		10.0	9.1	*17.6	
December ..	14.0	*4.7	*42.0		10.2	5.8	*19.8	
Year	36.7	11.6	*16.7		13.8	10.1	4.3	

* Decrease.

At New York there was an increase of 12.5 per cent. in September and outside of New York a decrease of only 5 per cent. For the nine months of the year there was a decrease of 20 per cent. at New York and of 13.5 per cent. in the rest of the country. The table shows that for fully a year, until now, business activity has been on the down grade.

of the United States is a delusion which too long cherished may lead to grave mental disorder.

So far the political campaign has developed nothing to indicate that the chances of Mr. Bryan winning the presidency have materially improved. Any sign in that direction would be likely to unsettle the stock market, temporarily at least. At the pres-

ent time individual opinions as to values, and as to the probable recovery in general business, with some possible manipulation, are largely directing the course of the stock market.

The total sales of stocks at the New York Stock Exchange in September were nearly 50 per cent. larger than in the same month last year, and 1,500,000 shares larger tnan in September, 1905, but 8,500,000 shares less than in 1906. The bond market showed even greater activity, the sales aggregating $83,000,000, as compared with $36,000,000 in 1907, $44,000,000 in 1906 and $69,000,000 in 1905.

a table here presented the closing prices of thirty representative stocks on September 30 are compared with those of a year ago together with the highest prices reached in 1907 and the lowest in 1907 and 1908.

The average price of the thirty stocks mentioned on September 30 was $78.99 per share, subsequently falling to $62.03 in 1907. The average of the lowest prices recorded so far this year is $66.67, or $4.64 higher than the lowest prices of last year. On September 30 this year the average was $90.44 or $21.45 higher than a year ago and $28.41 above the lowest touched after the panic last year. These stocks are still,

COMPARATIVE PRICES OF BONDS.

	Closing Price September 30		Highest	Lowest	Lowest
	1907	1908	1907	1907	1908
Atchison	86	87⅝	108¼	66⅜	66
Baltimore & Ohio	88¾	97½	122	75⅜	76½
Central New Jersey	173	197¾	220	144	160
Chesapeake & Ohio	32⅞	40¼	56	23¼	25½
Chic., Mil. & St. Paul	116⅜	133¾	157½	93½	103½
Chic. & Northwest	144	156⅝	205	126	135½
Delaware & Hudson	156½	164	227½	123⅝	141½
Erie	19⅞	30	44¼	12¼	12
Great Northern pref.	127¾	130¼	189¾	107½	113¾
Louisville & Nashville	106	104½	145⅛	85½	87¼
Mo. Kans. & Texas	34	30¾	44⅝	20¾	17½
Missouri Pacific	67¾	53	92¾	44⅛	28½
New York Central	102½	103¾	134¾	89	90⅛
Northern Pacific	128⅛	136¼	189½	100½	116⅞
Pennsylvania	119½	122⅛	141⅜	103½	108¾
Reading	93	128¼	139⅛	70½	92¼
Rock Island	18½	19⅜	30⅛	11¼	10½
Rock Island, pref.	43	41¼	64½	26½	20¾
Southern Pacific	85	103¾	96¼	63¼	66¼
Southern	15¼	21¼	34	10	9⅛
Union Pacific	126⅞	158¾	183	100	110½
Wabash, pref.	19½	26½	38½	14⅛	13
Wisconsin Central, pref.	37⅞	46½	51½	28	33
Amalgamated Copper	59¼	75	121⅞	41¾	45⅛
Am. Smelt. & Ref.	87	84¾	155	58¼	55½
Colorado Fuel	19	34¾	57⅞	14	15⅝
Consol. Gas	98	147	140¼	74	96
National Lead	47¼	83⅜	76¼	33	36
United States Steel	27½	45¾	50⅜	21⅞	25¾
United States Steel, pref.	88¾	108¾	107¾	79⅛	87½
Average 30 stocks	78.99	90.44	114.16	62.03	66.67

Prices for stocks advanced considerably during the first half of the month, but reacted and the lowest quotations of the month were generally recorded on the 21st or 22d. On September 30 a general recovery from the extreme low prices was shown.

As the heavy decline in prices began about a year ago, continuing until the end of October or well into November, a comparison of present prices with those ruling last year will indicate how far on the road to recovery the market has proceeded. In

however, $23.72 per share lower than the highest reached in 1907 before the panic.

The upward movement in bonds and the increased demand for this class of securities have attracted attention for some time past. Ordinarily such a condition of the bond market presages a general advance in the stock market. While there was no such extensive decline in bond prices during the panic as occurred in stocks, the recovery in bonds has been greater than in stocks. A comparison of prices in 1907 with the closing prices on September 30,

1908, for thirty leading bonds is shown below.

From the high average of 95.69 per cent. these bonds dropped to 89.90 per cent. on September 30, 1907, and to 80.66 per cent. before the end of the year. On September 30 the average had risen to 92.92 per cent. Compared with a year ago prices have increased 3.02 per cent. and with the low panic prices 12.26 per cent. They are now only 2.77 per cent. below the average highest prices of last year.

While stock prices were reduced 50 per cent. last year, only about 30 per cent. of which loss has since been recovered, bond prices declined in the panic about 16 per cent., all but about 3 per cent. of which has since been regained.

The money situation so far has been favorable to an upward movement in prices as far as rates of interest are concerned. Call money during the greater part of the month was down to 1 per cent., the lowest point touched since 1894. Even at the close of the month with October 1 disbursements for interest and dividends impending the rate did not go above 2 per cent. Time money for six months is quoted at 3 1-2 per cent.

The New York Clearing House banks have, however, suffered a reduction in their reserves, the surplus reserve having fallen from $65,000,000 on August 29 to $42,000,000 at the present time. Since the end of August the total reserves have declined $23,000,000. Further withdrawal of funds to meet crop moving requirements may be expected, but compared with previous years the banking situation is exceptionally strong.

While the railroad situation is anything but favorable yet, business is evidently increasing, as shown by the reports of cars not in use. The latest return is for September 16, when the number of idle cars was 170,652, which compares with 221,214 on September 2, 252,149 on August 19 and 413,338 on April 29. The number is only about 40 per cent. of what it was in April. Railroad earnings still fail to show much improvement, although it is evident that many of the roads have introduced economies which are in part checking the losses in net earnings, recently reaching alarming proportions. By use of the compilations made by the "Financial Chronicle" an accurate survey of the situation may be had. The gross earnings on over 82,000 miles of

COMPARATIVE PRICES OF BONDS.

	1907 High	1907 Low	1907 Sept. 30	1908 Sept. 30
Atchison General 4s, 1995	102½	89½	98½	101¼
Atchison 10-year convertible 5s, 1917	102	89½	101½	103⅛
Baltimore & Ohio gold 4s, 1948	102⅜	88	98¾	100¾
Chic., Bur. & Q., coll. tr. 4s, 1921	98⅞	82¾	93	98⅜
Chic., Ill. Div. 4s, 1949	103	95	99	101½
Chic., R. I. & Pacific, ref. 4s, 1934	91¾	80	88	89¼
Chic., R. I. & Pacific 4s, 2002	77	49¾	69⅛	71¾
Chic., R. I. & Pacific col. tr. 5s, 1913	91¾	59	83	70
Colorado Southern 1st 4s, 1929	94⅛	75	84	94
Lake Shore coll. g. 3½s, 1998	88½	73	79½	83
Lake Shore deb. 4s, 1928	99½	83	89	94⅜
Louisville & Nashville unified 4s, 1940	101⅞	92	96	99¾
Mo., Kans. & Texas 1st 4s, 1990	98¾	89½	95⅛	99
New York Central deb. 4s, 1934	99	86	93½	94¾
Norfolk & Western 1st 4s, 1996	99¾	86	95	99
Northern Pacific gen. lien 3s, 2047	74¼	62½	68½	73
Oregon Short Line guar. ref. 4s, 1929	94¾	75	86¾	94⅞
Pennsylvania com. 3½s, 1912	100¼	86¼	93⅞	97¾
Pennsylvania com. 3½s, 1915	95	83½	89⅛	94⅝
Reading genl. 4s, 1997	94	99¾	98¾	86½
St. Louis & San Francisco ref. 4s, 1951	82½	66½	75¾	74½
St. Louis Southwestern con. 4s, 1932	79	54¼	70¼	74½
So. Pac., Cen. Pas. col. 4s, 1949	90½	70	85	92
So. Pas., Cen. Pac. 1st ref. 4s, 1949	100⅜	88½	93	97¼
So. Pac. 1st ref. 4s, 1955	95¼	82	89	95¼
Southern 1st con. 5s, 1994	113¾	90	102⅛	102
Union Pacific l. g. 4s, 1947	102½	92¾	99½	102¾
Union Pacific convt. 4s, 1927	93	78¼	87¼	97¾
West Shore 1st 4s, 1923	105	94	100¾	103½
United States Steel 5s, 1963	99¾	78½	94½	102
Average 30 bonds	95.69	80.66	89.90	92.92

road in August showed a decrease of $10,-691,980 or 15.20 per cent. For the eight months of the year the loss is over $85,000,-000, or 16.78 per cent. During September incomplete returns showed weekly decreases ranging from 4 to 10 per cent.

For the seven months ended July 31 the railroads operating 122,955 miles of road reported a decrease of $146,000,000 in gross earnings and of nearly $47,000,000 in net earnings. In a table herewith will be found the increase or decrease monthly in gross and net earnings since January 1, 1906:

corresponding month of last year. For the nine months of the current year, as reported by R. G. Dun & Co., the commercial failures numbered 11,946, with total liabilities of $179,677,523 comparing with 8,090 representing liabilities of $116,036,348 in 1907; 7,912 with liabilities of $84,660,237 in 1906, and 8,806 with liabilities of $76,-234,028 in 1905. The number of failures is the largest for any year in over 15 years and the liabilities the largest since 1893.

The industrial condition of the country for a long period has been reflected in the movement of immigrants to our shores. In

RAILROAD EARNINGS, INCREASE OR DECREASE.

	Gross Earnings			Net Earnings.		
	1906	1907.	1908.	1906.	1907.	1908
January	$21,824,988	$10,176,033	*$20,025,624	$11,676,497	*$809,874	*$11,496,346
February	25,102,733	8,797,150	* 17,713,009	13,549,271	*1,650,601	* 8,764,602
March	12,977,479	12,980,393	* 21,531,681	5,036,842	63,814	* 6,543,631
April	5,399,836	27,021,029	* 30,544,943	1,411,064	8,882,437	*10,095,121
May	9,517,444	23,192,776	* 38,537,942	3,467,365	6,446,546	*12,845,751
June	10,122,209	17,225,040	* 26,987,858	3,627,330	4,704,359	* 4,557,091
July	14,830,073	18,546,430	* 27,262,110	6,089,834	2,443,066	* 6,571,734
August	14,691,092	16,735,273		5,355,143	779,119	
September	10,056,999	13,172,222		2,687,914	*3,594,503	
October	14,842,203	13,276,961		4,858,869	*3,864,295	
November	9,573,502	4,794,859		1,559,127	*6,942,084	
December	11,001,791	*9,112,667		887,282	*11,644,048	

* Decrease.

Down to December, 1906, there was an increase in gross earnings each month, but the gains began to fall off in the preceding August. In every month since November, 1906, the gross earnings show a loss averaging over $20,000,000 a month. The decrease in net earnings began in September, 1907, but during most of last year it was evident that increased cost of labor and materials was curtailing the profits of the roads. With an increase in gross earnings in the future, however, net earnings should show a decided improvement.

The inactivity in business has not prevented the engagement of capital in new corporate enterprises although a serious check has been put upon it. According to the "Journal of Commerce" incorporation papers filed in the Eastern States in September, in behalf of companies with $1,-000,000 capital or more, represented an aggregate capital of $53,300,000. This is $10,200,000 less than was reported in September, 1907, and nearly $115,000,000 less than in 1906. For the nine months of the year the total is $831,000,000 as compared with $1,286,000,000 in 1907 and $1,675,000,-000 in 1906.

Some encouragement is to be found in the statistics of commercial failures which in September were the smallest in several months although still larger than for the

good times the flow of immigration grows, in bad times it declines. For a number of months past immigration has not only fallen off, but great numbers of immigrants have returned to their home country. It is interesting to note that in September the number departing and the number arriving more nearly approximated than in any previous month of the year. The movement in the nine months of the year, compared with that of 1907 is shown on page 648.

The immigration in 1908 was only 290,740 as compared with 1,082,156 in 1907 while the emigration was 545,962 as compared with 301,296. In the nine months of 1907 we gained from immigration 780,860, in 1908 we lost by emigration 255,222. In each month of the year the immigration was less than in 1907, but from a decrease of 147,209 in May there has been a falling off to only 63,365 in September. In April there was an increase in emigration of 59,-617 over 1907, but in September there was a decrease of 2,840 as compared with the previous year.

An important decision rendered last month by the United States Circuit Court of Appeals limits the power of Congress in legislating against the railroads. This court has declared unconstitutional the commodity clause of the interstate commerce law known as the Hepburn Act. This

clause made it unlawful for a railroad to transport from one state to another or to a foreign country any commodity mined or produced by it, with the exception of lumber. A heavy penalty was provided and the law was aimed at the railroad companies which owned coal mines. The decision of the court was to the effect that tne right of Congress to regulate commerce did not include the power to destroy established rights of property.

THE MONEY MARKET.—Money continued abnormally cheap during the month, the rate for call loans frequently falling to one per cent. With the approach of October 1 there was some stiffening in rates. At the close of the month call money ruled between 1¼@2 per cent., with the average about 1½ per cent. Banks and trust companies loaned at 1¼ per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2¼@2½ per cent. for sixty days, 2½@2¾ per cent. for ninety days, 3¼ per cent. for four months, and 3½ per cent. for five to six months on good mixed collateral. For commercial paper the rates are 4 per cent. for sixty to ninety days' endorsed bills receivable, 4@4½ per cent. for first-class four to six months' single names, and 4½@5 per cent. for good paper having the same length of time to run.

IMMIGRATION AND EMIGRATION.

	1907.			1908.		
	Immigration	Emigration.	Gain.	Immigration.	Emigration.	Loss.
January	54,417	16,272	38,145	27,220	58,767	31,547
February	65,541	16,119	49,422	23,381	50,384	27,003
March	139,118	20,092	119,026	32,517	46,311	13,794
April	145,256	27,944	117,312	41,274	87,561	46,287
May	183,526	33,710	149,816	36,317	75,345	39,028
June	136,843	41,655	95,188	20,073	59,296	39,223
July	134,501	52,426	82,075	29,518	64,468	34,950
August	121,087	50,050	71,037	41,938	63,642	21,704
September	101,867	43,028	58,839	38,502	40,188	1,686
Total 9 mos.	1,082,156	301,296	780,860	290,740	545,962	255,222

One of the incidents of the month was the cutting down of the dividend on the preferred stock of the International Paper Company. For ten years the stock paid 6 per cent. dividends annually, but last April the dividend was reduced to a 4 per cent. basis and on September 30 was reduced to 2 per cent., the quarterly dividend just declared being ½ per cent. The mills of the company have been shut down two months by a strike, and a large stock of unsold paper is reported to be on hand.

NEW YORK BANKS.—The bank statements of the New York clearing-house association

MONEY RATES IN NEW YORK CITY.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*
	Per cent.	*Per cent.*	*Per cent*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances....................	1¾—2	1½—¾	1¼—2	1 —1¼	1 —1¼	1¼—2
Call loans, banks and trust companies.........	1¾—	1½—	1 —	1 —	1 —	1¼—
Brokers' loans on collateral, 30 to 60 days	2¼ ½	2½—	1½—2	2 —	1¾—2	2¼—½
Brokers' loans on collateral, 90 days to 4 months..	2½—3¼	2¾—3¼	2 —2¾	2½—3½	2 —3½	2½—3¼
Brokers' loans on collateral, 5 to 7 months...	3½—¾	3½—4½	3¼—4	3½—4	3½—¾	3½—
Commercial paper, endorsed bills receivable, 60 to 90 days...............	4 —½	3¼—4	3½—	3 —3½	3 —3½	4 —
Commercial paper, prime single names, 4 to 6 months	4 —½	4 —½	4½—	4 —4¼	4 —4½	4 —4½
Commercial paper, good single names, 4 to 6 months.........	4½-5		4½-5	4½—5	4½—5	4½—5

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	*Loans.*	*Specie.*	*Legal tenders.*	*Net Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Sept. 5...	$1,300,731,400	$329,086,500	$81,218,800	$1,402,641,400	$59,644,950	$54,723,400	$1,617,865,900
" 12...	1,322,730,500	326,511,600	80,496,700	1,420,061,900	51,992,825	54,493,100	1,300,280,300
" 19...	1,318,152,800	323,694,900	79,664,500	1,412,563,500	50,218,525	54,441,600	1,660,226,000
" 26...	1,312,020,500	321,194,500	80,328,800	1,405 935,000	50,059,575	54,116,500	1,637,474,800
Oct. 3...	1,312,130,700	311,896,300	79,585,700	1,396,771,400	42,289,650	53,756,500	1,554,702,400

show that the reserves have been rapidly drawn down during the past month, a decrease of over $22,000,000 having occurred since the end of August. Deposits after increasing $25,000,000 up to September 12 have since been reduced $23,000,000. Loans during the same time increased $33,000,000 and then were reduced $10,000,000. The surplus reserve decreased $23,000,000, but is $40,000,000 more than at the end of September of last year. The statement for October 3 was based upon falling averages as the actual condition of the banks shows the reserves were nearly $5,000,000 less than the "averages" indicated, and the deposits were more than $5,000,000 smaller.

New York Clearing House Banks—Actual Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Reserve Held.*
Sept. 5	$1,308,029,300	$328,940,200	$80,097,400	$1,409,184,900	$409,037,600
" 12	1,326,280,600	325,064,600	81,072,800	1,422,868,700	406,137,400
" 19	1,314,154,800	322,795,100	79,790,800	1,408,579,700	402,585,900
" 26	1,311,605,800	318,368,200	80,170,400	1,404,043,900	398,538,600
Oct. 3	1,311,329,000	307,493,300	79,226,100	1,391,820,400	386,719,400

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Gross Deposits.*	*Reserve on Deposits*
Sept. 5	$940,417,000	$87,318,200	$15,123,400	$852,831,100	$1,046,932,600	$334,838,600
" 12	943,959,100	85,813,100	15,376,000	851,741,900	1,043,008,700	331,329,700
" 19	951,244,200	84,638,300	15,125,400	858,981,000	1,042,563,100	322,124,500
" 26	949,792,800	83,923,800	15,009,700	859,901,200	1,044,608,200	322,442,900
Oct. 3	958,208,400	84,679,300	14,590,700	869,693,600	1,060,591,300	327,820,200

State Banks—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Sept. 5	$274,538,400	$52,432,200	$25,965,700	$328,138,300	$101,571,000
" 12	276,534,700	50,979,000	26,436,300	328,712,900	100,628,300
" 19	279,026,700	51,371,500	26,247,800	331,896,200	101,102,000
" 26	278,663,200	50,746,500	26,724,000	329,181,800	102,413,600
Oct. 3	279,917,800	55,636,400	25,863,800	334,183 100	103,143,900

Trust Companies—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Sept. 5	$853,245,900	$81,781,200	$7,436,900	$941,283,300	$302,397,600
" 12	856,258,300	80,109,700	7,455,300	936,362,600	298,627,100
" 19	861,326,400	79,016,000	7,082,900	933,313,700	288,923,900
" 26	860,009,500	78,439,000	6,840,200	936,011,700	288,786,400
Oct. 3	869,348,700	78,788,600	6,927,300	954,584,200	296,674,400

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	*1906.*		*1907.*		*1908.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,850
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,752
March	1,029,545,000	5,008,755	1,038,431,800	3,857,650	1,167,623,700	29,262,675
April	1,004,290,500	5,131,270	1,019,817,300	13,131,275	1,189,334,300	89,788,525
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July	1,049,617,000	12,055,750	1,092,031,700	2,509,275	1,320,176,400	66,098,800
August	1,060,116,900	18,892,475	1,099,302,400	7,478,200	1,365,401,300	59,083,575
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	1,394,617,800	65,606,975
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	1,396,771,400	42,289,650
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	....	....
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,420,061,900, on September 12, 1908; loans, $1,322,730,500 on September 12, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. *** Deficit.**

11

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Aug. 29	$87,680,900	$106,691,700	$5,600,600	$8,265,400	$16,192,900	$4,842,200	$8,228,175
Sept. 5	87,489,700	104,827,900	5,890,600	7,680,000	11,604,700	5,122,100	4,090,425
" 12	87,710,000	107,878,800	5,998,400	8,041,400	16,563,100	5,467,200	9,095,600
" 19	89,858,700	111,849,500	5,978,900	8,226,800	17,444,100	5,580,200	9,392,625
" 26	88,516,700	108,878,800	5,957,000	8,865,000	16,256,500	5,538,700	8,898,875

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Aug. 29	$202,423,000	$243,200,000	$25,340,000	$3,429,000	$10,456,000	$110,406,100
Sept. 5	204,414,000	250,996,000	24,398,000	3,263,000	10,467,000	135,488,700
" 12	206,883,000	258,412,000	23,681,000	3,295,000	10,306,000	118,249,400
" 19	210,041,000	260,032,000	24,790,000	3,601,000	10,265,000	136,150,800
" 26	211,967,000	254,379,000	25,581,000	3,927,000	10,177,000	120,968,700

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Aug. 29	$236,431,000	$285,729,000	$79,599,000	$15,684,000	$89,006,900
Sept. 5	239,021,000	291,612,000	81,852,000	15,118,000	138,168,600
" 12	240,603,000	298,250,000	83,597,000	15,076,000	102,170,300
" 19	241,858,000	300,950,000	83,087,000	14,977,000	112,596,800
" 26	243,150,000	297,981,000	80,992,000	14,637,000	108,918,400

Gold and Silver in the European Banks.

	Aug. 1, 1908.		Sept. 1, 1908.		Oct. 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£37,120,389	....	£38,731,862	....	£38,017,545	....
France	127,680,551	£36,287,879	129,042,885	£35,565,178	129,656,957	35,806,832
Germany	40,815,000	16,915,000	41,428,000	17,169,000	35,809,000	14,859,000
Russia	116,084,000	7,945,000	116,256,000	8,066,000	120,052,000	7,257,000
Austria-Hungary	47,016,000	13,463,000	47,206,000	13,385,000	48,545,000	13,087,000
Spain	15,668,000	26,989,000	15,694,000	30,764,000	15,724,000	33,509,000
Italy	36,711,000	4,400,000	36,793,000	4,420,000	37,087,000	4,500,000
Netherlands	7,708,600	4,246,100	7,705,700	4,164,200	7,769,600	4,095,200
Nat. Belgium	4,044,667	2,022,333	4,054,667	2,027,333	4,016,000	2,008,000
Sweden	4,029,000	....	4,065,000	....	4,132,000	....
Switzerland	3,955,000	....	4,682,000	....	4,604,000	....
Norway	1,689,000	....	1,651,000	....	1,629,000	....
Totals	£442,457,207	£112,268,812	£447,262,114	£115,560,711	£446,992,102	£115,371,532

Foreign Banks.—The Bank of England lost $3,500,000 gold in September, the Bank of France gained $3,000,000, Germany lost $28,000,000, Russia gained $19,000,000 and Austria-Hungary gained $6,500,000. All these banks except Russia hold more gold than they had a year ago.

Foreign Exchange.—Sterling exchange took an upward flight during the month and rates got close to the gold exporting point. A temporary advance in the local money market at one time seemed to be the only thing to prevent the exportation of the precious metal. Grain bills as yet have been scarce although the wheat export movement has reached fair proportions.

Money Rates Abroad.—There has been no change in the posted rates of discount of the leading European banks, but open market rates are higher than they were a month ago. Discounts of sixty to ninety-day bills in London at the close of the month were 1½@1⅝ per cent., the same as a month ago. The open market rate at Paris was 2 per cent. against 1⅛@1⅜ per cent. a month ago, and at Berlin and Frankfort 3 per cent., against 2⅞@3 a month ago.

Silver.—The London silver market was

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Sept. 5	4.8460 @ 4.8465	4.8605 @ 4.8615	4.8630 @ 4.8640	4.84⅛ @ 4.84¼	4.83⅝ @ 4.84⅛
" 12	4.8490 @ 4.8500	4.8640 @ 4.8650	4.8675 @ 4.8685	4.84⅛ @ 4.84⅝	4.84 @ 4.84⅝
" 19	4.8510 @ 4.8520	4.8650 @ 4.8660	4.8675 @ 4.8685	4.84¾ @ 4.84⅞	4.84 @ 4.84⅝
" 26	4.8500 @ 4.8510	4.8635 @ 4.8640	4.8660 @ 4.8670	4.84⅝ @ 4.84¾	4.84 @ 4.84⅝
Oct. 3	4.8490 @ 4.8510	4.8615 @ 4.8620	4.8640 @ 4.8650	4.84½ @ 4.84⅝	4.83¾ @ 4.84¼

Foreign Exchange—Actual Rates on or About the First of Each Month.

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 1.
Sterling Bankers—60 days	4.85⅛— ⅝	4.85⅛— ⅝	4.85¼— ⅜	4.84¼— ½	4.85 — ⅛
" " Sight	4.87⅛— ¼	4.86⅞— 87	4.86⅞—87	4.85¾— ⅞	4.86¼— ⅜
" " Cables	4.87⅜— ½	4.87⅛— ¼	4.87 — ⅛	4.86 —	4.86½— ⅝
" Commercial long	4.85¼— ⅜	4.85¼— ⅜	4.85 — ⅛	4.83¼— ¾	4.83⅞— 4¾
" Docu'tary for paym't	4.84¼— 5⅜	4.84⅝— 5⅛	4.84⅛—85	4.83 —84	4.84¼— ⅝
Paris—Cable transfers	5.13 1/16—15	5.15⅝— 1/32	5.15⅝—	5.16⅞—	5.15⅝— —
" Bankers' 60 days	5.17⅛—16⅞	5.16⅞—	5.17½—16⅞	5.18¾— ⅛	5.18⅛— —
" Bankers' sight	5.15⅝—	5.15⅝—	5.16¼—15⅝	5.17½—16⅞	5.16⅛— —
Swiss—Bankers' sight	5.16¼—	5.15⅝— 1/16	5.15 3/16— 1/16	5.16 — ⅞	5.16⅞— ¼
Berlin—Bankers' 60 days	94⅞—95	95 — 1/16	95⅛— 3/16	94¾— ⅞	94 13/16— 15/16
" Bankers' sight	95 7/16—	95⅛—	95 7/16— ½	95 3/16— ¼	95 15/16— ⅝
Amsterdam—Bankers' sight	40¼— 5/16	40¼— 5/16	40 3/16—	40¼—	40 5/16— —
Kronors—Bankers' sight	26 13/16— 15/16	26⅞—27	26⅞—27	26 13/16— ⅞	26 13/16— 15/16
Italian lire—sight	5.15⅝— 1/16	5.14⅝—13¾	5.15⅝—15	5.16¼—	5.16⅞— ¼

Bank of England Statement and London Markets.

	June 30, 1908.	July 31, 1908.	Aug. 31, 1908.	Sept. 30, 1908.
Circulation	£28,992,000	£29,583,000	£29,252,000	£29,549,700
Public deposits	10,170,000	5,845,000	7,876,000	8,091,600
Other deposits	46,167,000	46,064,000	44,233,000	42,516,300
Government securities	15,237,000	15,047,000	15,532,000	15,732,300
Other securities	30,023,000	28,843,000	28,508,000	26,237,100
Reserve of notes and coin	28,861,000	26,038,000	27,929,000	26,917,300
Coin and bullion	39,226,000	37,120,889	38,731,862	38,027,545
Reserve to liabilities	51.17%	50.12%	53.60%	53.15%
Bank rate of discount	2½%	2½%	2½%	2½%
Price of Consols (2½ per cents.)	87¾	86 13/16	86½	85¾
Price of silver per ounce	24¾d.	24 1/16d.	23⅝d.	23⅞d.

Monthly Range of Silver in London—1906, 1907, 1908.

Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.	Month.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31	24⅞	24 3/16
February	30 13/16	30⅛	32⅛	31⅛	26 9/16	25½	August	30 15/16	29⅞	32 5/16	31⅛	24 5/16	23⅝
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¼	30 13/16	31 9/16	31⅛	24⅛	23 9/16
April	30 3/16	29⅝	30½	30	25¼	24 9/16	October	32 9/16	31 11/16	30⅝	27 7/16		
May	31⅝	30 5/16	31⅛	29 11/16	24 13/16	24	November	33⅛	32	27 11/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝	25⅝	24¼	December	32 5/16	31 9/16	26 11/16	24 5/16		

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.86	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.90	3.96	Ten guilders	3.96	4.00
Twenty marks	4.75	4.80	Mexican dollars	.45	.51
Twenty-five pesetas	4.78	4.82	Peruvian soles	.37	.41
Spanish doubloons	15.50	15.65	Chilian pesos	.37	.41

Bar silver in London on the first of this month was quoted at 23⅞d. per ounce. New York market for commercial silver bars, 51¾ @ 53¼c. Fine silver (Government assay), 51⅞ @ 53⅝c. The official price was 51¾c.

irregular in September and after advancing to 24⅛d. on September 17 declined to 23¾d., closing at 23⅞d., a net advance of ⅛d. for the month.

Foreign Trade.—While both exports and imports were slightly larger in August than in July both were the smallest reported for August since 1904. Compared with 1907 imports declined $34,000,000 and exports $17,000,000. The former show a decrease of $359,000,000 since October 1, 1907, and the latter of $130,000,000 since March 1, 1908. For the eight months of the current calendar year the imports were $700,000,000 as against $1,001,000,000 in 1907 and the exports $1,091,000,000 against $1,196,000,000. The excess of exports for the same time was $391,000,000 as against $194,000,000 in 1907. The export balance is the largest ever reported for a similar period. Nevertheless gold was exported, the net in August being over $2,000,000 and in the eight months more than $31,000,000, the largest reported for the same period in a number of years.

National Bank Circulation.—The largest decrease in national bank circulation in a single month in a long time was re-

Exports and Imports of the United States.

Month of August.	Merchandise. Exports.	Imports.	Balance.		Gold Balance.		Silver Balance.	
1903	$89,446,457	$82,049,262	Exp.,	$7,397,195	Imp.,	$7,763,777	Imp.,	$348,864
1904	92,253,881	87,737,868	"	4,516,013	Exp.,	2,998,327	Exp.,	2,331,354
1905	117,668,115	95,831,158	"	21,836,957	Imp.,	2,939,063	"	2,032,211
1906	129,801,468	105,697,015	"	24,104,453	"	7,374,790	"	1,272,197
1907	127,270,447	125,806,043	"	1,464,404	Exp.,	1,373,107	"	1,865,463
1908	110,411,714	91,252,146	"	19,159,568	"	2,339,846	"	936,427
Eight Months.								
1903	$878,911,631	676,981,594	Exp.,	201,930,037	Exp.,	14,082,961	Exp.,	7,626,390
1904	851,203,457	667,269,364	"	183,934,093	"	15,841,825	"	18,076,950
1905	866,567,559	770,285,198	"	196,282,361	"	16,469,107	"	13,248,758
1906	1,099,337,470	845,648,794	"	253,688,676	Imp.,	46,833,939	"	12,115,518
1907	1,196,270,354	1,001,707,119	"	194,563,235	Exp.,	20,272,776	"	11,256,878
1908	1,091,408,803	700,138,794	"	391,270,009	"	31,346,018	"	7,200,789

National Bank Circulation.

	June 30, 1908.	July 31, 1908.	Aug. 31, 1908.	Sept. 30, 1908.
Total amount outstanding	$698,333,917	$692,088,991	$685,326,108	$675,612,327
Circulation based on U. S. bonds	623,250,517	625,360,982	625,986,993	626,972,885
Circulation secured by lawful money	75,083,400	66,728,009	59,339,115	48,639,442
U. S. bonds to secure circulation:				
Four per cents. of 1925	14,824,250	14,346,450	14,677,450	14,945,450
Three per cents. of 1908-1918	9,752,440	9,521,940	10,086,600	10,057,260
Two per cents. of 1930	552,863,200	553,813,150	554,955,200	555,508,000
Panama Canal 2 per cents	36,520,740	37,564,380	37,701,740	38,424,680
Certificates of Indebtedness 3 per cent	14,186,500	14,186,500	14,186,500	13,936,500
Total	$628,147,130	$629,432,420	$631,607,490	$632,871,890

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents, of 1925, $7,258,750; 3 per cents. of 1908-1918, $9,270,400; 2 per cents. of 1930, $46,969,450; Panama Canal 2 per cents. $14,836,000; District of Columbia 3.65's, 1924, $2,441,000; Hawaiian Islands bonds, $1,833,000; Philippine loan, $8,461,000; state, city and railroad bonds, $50,046,747; Porto Rico, $736,000; certificates of indebtedness 3 per cent., $———; a total of $141,852,347.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	September, 1908.	Since July 1, 1908.
Customs	$29,946,836	$68,085,929
Internal revenue	20,153,148	61,788,474
Miscellaneous	3,220,130	15,909,539
Total	$48,320,114	$145,783,942
Excess of receipts	*$4,583,971	*$33,362,537

*Excess of expenditures.

Expenditures.

Source.	September, 1908.	Since July 1, 1908.
Civil and mis.	$9,671,010	$41,859,755
War	10,902,638	36,804,919
Navy	10,252,397	27,845,892
Indians	1,500,658	5,014,602
Pensions	14,399,576	41,668,065
Public works	6,036,455	20,810,398
Interest	141,351	5,142,848
Total	$52,904,085	$179,146,479

United States Public Debt.

	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	14,186,500	14,186,500	14,186,500	13,936,500
Total interest-bearing debt	$897,503,990	$897,503,990	$897,503,990	$897,253,990
Debt on which interest has ceased	4,130,015	3,943,745	3,867,625	3,823,195
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	72,459,284	57,393,588	48,808,488	42,642,365
Fractional currency	6,862,814	6,862,374	6,862,374	6,862,374
Total non-interest bearing debt	$426,056,397	$410,990,260	$402,405,110	$396,239,037
Total interest and non-interest debt	1,327,690,402	1,312,437,996	1,303,776,726	1,297,316,223
Certificates and notes offset by cash in the Treasury:				
Gold certificates	819,783,869	818,758,869	837,564,869	842,045,869
Silver certificates	474,350,000	484,054,000	487,768,000	488,208,000
Treasury notes of 1890	4,982,000	4,903,000	4,847,000	4,767,000
Total certificates and notes	$1,299,115,869	1,307,715,869	$1,330,179,869	$1,335,020,869
Aggregate debt	2,626,806,271	2,620,153,865	2,633,956,595	2,632,337,092
Cash in the Treasury:				
Total cash assets	1,807,352,855	$1,791,038,029	1,786,442,021	1,779,635,023
Demand liabilities	1,417,794,862	1,437,409,856	1,446,551,883	1,450,582,450
Balance	$389,557,993	$353,628,173	$339,890,138	$329,052,573
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	239,557,993	203,628,173	189,890,138	179,052,573
Total	$389,557,993	$353,628,173	$339,890,138	$329,052,573
Total debt, less cash in the Treasury	938,132,409	958,809,823	963,886,588	968,263,650

Money in Circulation in the United States.

	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.
Gold coin	$614,553,628	$615,788,276	$619,990,263	$615,955,118
Silver dollars	76,354,933	75,185,184	74,891,095	75,084,147
Subsidiary silver	122,912,990	122,782,736	124,005,574	124,024,077
Gold certificates	788,464,809	784,273,609	806,658,109	805,667,764
Silver certificates	465,581,977	474,690,962	475,083,723	475,843,942
Treasury notes, Act July 14, 1890	4,968,084	4,889,789	4,837,418	4,750,809
United States notes	340,189,838	341,035,382	341,311,926	341,190,465
National bank notes	632,481,530	627,316,659	630,633,800	635,783,039
Total	$3,045,457,389	$3,045,962,547	$3,077,406,908	$3,078,299,361
Population of United States	87,496,000	87,614,000	87,733,000	87,852,000
Circulation per capita	$34.81	$34.77	$35.07	$35.04

ported for the month of September, $9,713,781. In the last three months the decrease was nearly $23,000,000. There has been, however, a gradual increase in bond secured circulation, the reduction in outstanding notes being caused by the presentation and cancellation of notes against which lawful money had previously been deposited to secure their retirement. Since June 30 the deposit of lawful money for this purpose has been reduced from $75,000,000 to less than $49,000,000.

Government Revenues and Disbursements.—In September the government revenues fell below the expenditures $4,500,000, making the total deficit since July 1 over $33,000,000 as compared with a deficit of $4,000,000 in the same time in 1907. Except for the month of June when a surplus of about $4,000,000 was reported there has been a deficit every month since November, 1907. In that time the expenditures have exceeded the revenues by $91,000,000. In the three months of the current fiscal year the receipts show a decrease of nearly $20,000,000 and the expenditures an increase of $9,000,000.

United States Public Debt.—The accruing deficit of the United States Treasury is reflected in a further increase in the total net public debt, the increase in September being over $4,000,000 and since July 1 $30,000,000. The net cash balance was reduced during the month from nearly $190,000,000 to $179,000,000. Of this balance about $130,000,000 is in national bank depositaries, leaving a working balance in the Treasury of $49,000,000.

Money in Circulation in the United States.—An increase of less than $900,000

Money in the United States Treasury.

	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.
Gold coin and bullion	$1,001,666,550	$1,014,511,613	$1,021,568,685	$1,027,728,268
Silver dollars	491,895,049	493,075,848	493,369,887	493,176,835
Subsidiary silver	23,727,308	24,222,649	23,774,263	21,746,013
United States notes	6,491,178	5,645,634	5,369,090	5,490,551
National bank notes	65,902,387	61,772,332	54,092,308	39,829,288
Total	$1,589,682,472	$1,602,228,076	$1,598,774,233	$1,587,968,955
Certificates and Treasury notes, 1890, outstanding	1,259,014,370	1,263,854,360	1,286,574,250	1,286,262,515
Net cash in Treasury	$330,668,102	$338,373,716	$312,199,983	$301,706,440

Supply of Money in the United States.

	June 1, 1908.	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.
Gold coin and bullion	$1,616,013,938	$1,616,220,178	$1,630,299,889	$1,641,558,948	$1,648,681,386
Silver dollars	568,249,982	568,249,982	568,260,982	568,260,982	568,260,982
Subsidiary silver	143,538,263	146,640,298	147,005,385	147,779,837	145,770,090
United States notes	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	698,449,517	698,333,917	692,088,991	685,826,108	675,612,327
Total	$3,372,932,711	$3,376,125,391	$3,384,336,263	$3,389,606,891	$3,380,005,801

was reported in the volume of circulation in September, an increase too small to maintain the per capita circulation at its former figure. It is now $35.04 as compared with $35.07 on September 1. There was an increase of over $5,000,000 in national bank notes and a decrease of $4,000,000 in gold coin and $1,000,000 in gold certificates.

Money in the United States Treasury.—The total cash in the United States Treasury was reduced nearly $11,000,000 and the net cash nearly $10,500,000. The net gold holdings were increased $7,000,000, but more than $14,800,000 of national bank notes were withdrawn. Legal tender notes are down to about the minimum point, less than $5,500,000.

Supply of Money in the United States.—There was $2,000,000 of gold added to the total money supply, but a decrease of $2,000,000 in subsidiary silver coin and of $9,700,000 in national bank notes reduced the total stock of money in the country $9,600,000 last month. Since May 1 there has been a decrease of $16,600,000.

BANK AND TRUST COMPANY STOCKS.

Reported by Hornblower & Weeks, Members New York and Boston Stock Exchanges, 120 Broadway, New York; 60 Congress Street, Boston; 152 Monroe Street, Chicago.

Corrected to October 10, 1908.

NEW YORK.

BANK STOCKS.

	Div. Rate.	Bid.	Asked.
Aetna National Bank	8	170	180
Amer. Exchange Nat. Bk	10	230	235
Bank of America	26	535	...
Bank of the Manhattan Co. (par $50)	12	295	305
Bank of the Metropolis	16	375	390
Bank of N. Y., N. B. A.	14	300	310
Bank of Washington Heights	..	265	...
Battery Park Nat. Bank	..	115	125
Bowery Bank	12	325	...
Bronx Borough Bank	..	300	...
Century Bank	6	170	...
Chase National Bank	6	250	260
Chatham National Bank (par $25)	16	295	305
Chelsea Exchange Bank	..	200	...
Chemical National Bank	15	410	420
Citizens' Central Nat. Bk.	6	145	155
Coal & Iron Nat. Bank	10	215	225
Colonial Bank	20	850	...
Columbia Bank	12	400	500
Consolidated Nat. Bank	6	120	125
Corn Exchange Bank	16	315	325
East River National Bank (par $25)	6	130	140
Fidelity Bank	..	160	175
Fifth Avenue Bank	100	3850	...
Fifth National Bank	12	340	...
First National Bank	32	700	725
Fourteenth Street Bank	10	...	190
Fourth National Bank	8	200	205
Gallatin National Bank (par $50)	12	320	335
Garfield National Bank	20	285	300
German-American Bank (par $75)	6	135	140
German Exchange Bank	20	480	500
Germania Bank	20	475	525
Greenwich Bank	10	250	270
Hanover National Bank	16	480	490
Importers & Traders Nat. Bank	20	540	550
International Bank'g Corp.	4	90	100
Irving Nat. Exchange Bk.	8	175	180
Jefferson Bank	10	170	180
Liberty National Bank	20	500	...
Lincoln National Bank	8	450	525
Market & Fulton Nat. Bk.	10	235	250
Mechanics' National Bank	12	250	260
Mercantile National Bank	..	125	130
Merchants Exchange National Bank (par $50)	6	165	170
Merchants National Bank (par $50)	7	155	165
Metropolitan Bank	6	160	175
Mount Morris Bank	8	210	240
Mutual Bank	8	280	300
Nassau Bank (par $50)	8	200	215
Nat. Bank of Commerce	8	167	170
Nat. Butchers & Drovers Bank (par $25)	6	150	155
National City Bank	10	305	310
National Copper Bank	..	215	225
National Park Bank	16	420	430
New Netherlands Bank	..	200	210
N. Y. County Nat. Bank	40	600	...
N. Y. Produce Exchange Bank	8	150	...
Night & Day Bank	..	...	250
Nineteenth Ward Bank	12	...	475
Northern Bank	6	160	...
Pacific Bank (par $50)	8	220	250
People's Bank (par $25)	10	290	320
Phenix National Bank (par $20)	6	150	155
Plaza Bank	20	600	...
Riverside Bank	8	200	220
Seaboard National Bank	10	340	380
Second National Bank	12	330	...
Sherman National Bank	..	140	...
State Bank	10	225	250
Twelfth Ward Bank	6	150	200
Twenty-third Ward Bank	6	110	...
Union Exchange Bank	10	180	190
United States Exchange	..	...	115
West Side Bank	12	525	...
Yorkville Bank	16	400	...

TRUST COMPANY STOCKS.

	Div. Rate.	Bid.	Asked.
Astor Trust Co.	..	290	300
Bankers Trust Co.	16	440	...
Bowling Green Trust Co.	20	320	...
Broadway Trust Co.	6	125	135
Brooklyn Trust Co.	20	390	400
Carnegie Trust Co.	..	155	170
Citizens' Trust Co.	..	125	...
Central Trust Co.	80	1725	...
Columbia Trust Co.	..	215	220
Commercial Trust Co.	..	140	150
Empire Trust Co.	8	345	...
Equitable Trust Co.	12	350	370
Farmers Loan & Trust Co. (par $25)	40	1125	...
Fidelity Trust Co.	..	...	200
Fifth Avenue Trust Co.	12	...	410
Flatbush Trust Co.	8	240	250
Franklin Trust Co.	8	190	...
Fulton Trust Co.	10	240	...
Guaranty Trust Co.	20	450	...
Guardian Trust Co.	..	175	...
Hamilton Trust Co.	10	...	275
Home Trust Co.	4	90	...
Hudson Trust Co.	..	120	140
Kings Co. Trust Co.	12	425	450
Knickerbocker Trust Co.	..	285	300
Lawyers' Mortgage Co.	10	195	205
Lincoln Trust Co.	..	...	185
Lawyers' Title Ins. & Trust Co.	12	190	200
Long Is. Loan & Trust	12	250	280
Manhattan Trust Co. (par $30)	12	360	390
Mercantile Trust Co.	20	750	780
Metropolitan Trust Co.	24	500	520
Morton Trust Co.	20	400	440
Mutual Alliance Trust Co.	8	...	170
Nassau Trust Co.	8	150	170
N. Y. Life Ins. & Trust Co.	50	1000	...
N. Y. Mtg. & Security Co.	10	135	145
N. Y. Trust Co.	32	515	...
People's Trust Co.	12	260	300
Standard Trust Co.	10	325	375
Title Guar. & Trust Co.	16	395	405
Trust Co. of America	..	290	300
Union Trust Co.	50	1050	1100
U. S. Mtg. & Trust Co.	20	325	375
U. S. Trust Co.	50	1050	1100
Van Norden Trust Co.	10	250	260
Washington Trust Co.	12	400	410
Windsor Trust Co.	6	125	135

BOSTON.

BANKS.

Name.	Div. Rate.	Last Sale.
Atlantic National Bank	6	140
Boylston National Bank	4	100
Commercial National Bank	6	140
Eliot National Bank	8	200
Faneuil Hall National Bank	7	138
First National Bank	12	314¾
First Ward National Bank	8	181½
Fourth National Bank	7	181¼
Merchants' National Bank	10	215¼
Metropolitan National Bank	6	120¼
National Bank of Commerce	6	160
National Market Bank, Brighton	6	100
Nat. Rockland Bank, Roxbury	8	167
National Shawmut Bank	10	288
National Union Bank	7	160
National Security Bank	12	*
New England National Bank	6	142
Old Boston National Bank	5	111¼
People's National Bank, Roxbury	6	130
Second National Bank	10	215
South End National Bank	5	100
State National Bank	7	140
Webster & Atlas National Bank	6	140
Winthrop National Bank	12	325

* No public sales.

TRUST COMPANIES.

Name.	Div. Rate.	Last Sale.
American Trust Co.	8	345
Bay State Trust Co.	7	*
Beacon Trust Co.	8	185
Boston Safe D. & T. Co.	14	369
City Trust Co.	12	410
Columbia Trust Co.	5	120
Commonwealth Trust Co.	6	160
Dorchester Trust Co.	..	102
Exchange Trust Co.	..	*
Federal Trust Co.	6	130
International Trust Co.	16	400
Liberty Trust Co.	..	*
Mattapan D. & T. Co.	4	150
Mechanics' Trust Co.	6	118
New England Trust Co.	15	309
Old Colony Trust Co.	20	700
Puritan Trust Co.	6	219
State Street Trust Co.	8	*
United States Trust Co.	12	225

* No public sales.

CHICAGO.

NATIONAL BANKS.

	Div.	Bid.	Asked.
Bankers' National Bank	8	185	191
Commercial National Bank	12	294	299
Continental National Bank	8	238	245
Corn Exchange Nat. Bank	12	390	398
Drovers Deposit Nat. Bk.	10	218	224
First National Bank	12	397	402
First Nat. of Englewood	10	200	250
Ft. Dearborn Nat. Bank	8	185	192
Hamilton National Bank	5	129	134
Live Stock Exchange Nat. Bank	10	223	230
Monroe National Bank	4	120	130
Nat. Bank of the Republic	8	192	197
National City Bank	6	153	157
National Produce Bank	..	121	127
Oakland National Bank	6	160	...
Prairie National Bank	..	160	...

STATE BANKS.

	Div.	Bid.	Asked.
American Tr. & Sav. Bk.	8	207	212
Central Trust Co.	7	139	144
Chicago City Bank	10	150	...
Chicago Savings Bank	6	124	130
Colonial Tr. & Sav. Bk.	10	160	170
Drexel State Bank	6	135	...
Drovers Tr. & Sav. Bk.	8	165	175
Englewood State Bank	6	112	118
Hibernian Banking Assn.	8	200	210
Harris Tr. & Sav. Bank	8	215	...
Illinois Tr. & Sav. Bk.	16-4ex.	470	490
Kenwood Tr. & Sav. Bank	6	113	117
Lake View Tr. & Sav. Bk.	5	108	112
Merchants Loan & Tr. Co.	12	358	366
Metropolitan Tr. & S. Bk.	6	113	120
Mutual Bank	..	114	120
Northern Trust Co.	8	310	330
North Western Tr. & Sav. Bank	6	140	150
Prairie State Bank	8	250	270
Railway Exchange Bank	4	105	115
Royal Trust Co.	8	175	190
So. Chicago Sav. Bank.	6	120	128
State Bank of Chicago	12	300	320
Stock Yards Savings Bank	6	170	...
Union Bank	6	116	124
Union Stock Yards Bank	6	120	128
Union Trust Co.	..	315	...
Western Tr. & Sav. Bank	6	132	138
Woodlawn Tr. & Sav. Bk.	6	120	129

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—Receiver Edwards, who is in charge of the funds and affairs of the New Amsterdam National Bank, which suspended payment last January during the great financial panic, on September 11 announced an additional dividend of forty per cent. to the creditors of the bank.

Only ten per cent. of the indebtedness now remains and the assets of the bank are ample to liquidate these claims with interest at an early date.

The New Amsterdam Bank, one of the most prominent in the chain controlled by Charles W. Morse and E. R. Thomas, was one of the first financial institutions in the city to feel the financial tightness which seriously crippled industrial affairs last winter.

Simultaneously with the Mechanics' and Traders' Bank, an allied institution, it closed its doors on January 29 and announced that payment must be indefinitely suspended. The State Banking Department immediately took charge. The liabilities of the combined banks were found to be about $17,000,000. It has developed since that securities held by the banks were ample to liquidate all claims, but that owing to the shortage of actual currency it was impossible to continue business.

—State Superintendent of Banks Clark Williams has appointed O. H. Cheny of New York city as second deputy at a salary of $4,500. Frederick J. Seaver of Malone has been appointed third deputy at a salary of $4,000 and John D. Moriarty of Elmira as confidential clerk and private secretary at a salary of $3,300.

Mr. Cheny succeeds John W. Wheelock, who resigned because of his nomination as treasurer of Albany County. Mr. Seaver was, until now, private secretary to the superintendent, and hereafter will have charge of the building and loan associations.

—At a board meeting of the Mutual Alliance Trust Company held September 3, Robert H. Rountree, of the cotton firm of R. H. Rountree & Co., and George L. Storm, president of the well-known cigar manufacturing company, were made members of the board.

—Frank M. Van Horn of the First Nation Bank has established partnership relations with the bond house of A. B. Leach & Co. and retired from the national banking business. Mr. Van Horn has been head of the bond department of the First National since the establishment of that department six years ago. Prior to that he was connected with Farson, Leach & Co.

—It is not the intention of Secretary Cortelyou to call on the national banks for any Government money held by them until after the election or to issue any Panama bonds before that time.

After November an issue of Panama bonds—$35,000,000 or $40,000,000—is probable. In that event recall of deposits will be deferred, for the Treasury, even in the face of an increasing deficit will have sufficient money in hand to run along smoothly.

—On the night of September 7 there was a series of small fires in the Century Bank, which kept the firemen on the jump, but did no appreciable damage. The bank occupies the ground floor of the ten-story building at the northeast corner of Fifth Avenue and Twentieth Street.

The watchman of the building, Charles Stein, in making his rounds at 7.30 o'clock, discovered that the scaffolding in the bank on which painters had been working on Saturday was afire. He did not have the keys of the bank, and was in a quandary how to act.

A policeman sent in a still alarm, and the men from Engine Company 14 had to break through a steel door to reach the blaze. Just as they were leaving the building another fire was discovered on the floor underneath the canvas which covered the floor.

Later the fire patrol came along and examined the premises. They discovered another fire, and this was also extinguished. At 10.30 o'clock of the same night, Engine Company 14 was again called to the building for a fire in the basement directly underneath the bank.

A strict watch has been kept and no further blazes have been discovered.

—Breckenbridge Carroll is the new assistant-treasurer of the Lincoln Trust Company.

On August 31 the company had a cash reserve of $3,248,149 and deposits of $8,009,966.

This statement shows that the Lincoln Trust Co., under the direction of Alexander S. Webb, Jr., its new president, is on a par with any other company in the city.

—Permission has been granted the Home Bank of Brooklyn by the State Banking Department to move its place of business from Forty-eighth street and Fifth avenue to Fifty-fourth street and Fifth avenue.

—Members of the New York Clearing-House who have been active in urging the admission of the trust companies to that body have practically given up all effort to unite the banks and trust companies through the entrance of the latter. The trust companies are not disposed to seek membership.

The establishment of close co-operation between the banks and trust companies through joint membership of the two classes of institutions in the Clearing-House for which William A. Nash argued warmly last spring, is now no nearer accomplishment than it was many months ago. It is not likely that any further effort will be made in the near future to bring the trust companies into the Clearing-House.

The importance which some of the leading members of the Clearing-House attached to the return of the trust companies to the Clearing-House was forcibly expressed by Mr. Nash two years ago upon his retirement from the presidency of the organization. He pointed to the serious consequences which would arise in time of financial disturbances by reason of the trust companies not being members of the Clearing-House.

When the question of the admission of the trust companies was advanced again last fall it was thought that the discussion of the matter growing out of the financial depression would surely result in an agreement between the banks and trust companies in regard to the trust companies entering the Clearing-House. Again in May Mr. Nash urged the wisdom of uniting the financial institutions, but this further appeal has been without result.

—A decrease of over $8,000,000 in total deposits and an increase of over $46,000,000 in resources of the state banks of New York from June 17 to August 31 are shown in a summary given out by Superintendent Clark Williams of the State Banking Department. The statement gives the condition of 200 state banks at the close of business on August 31 in comparison with their condition as reported on June 17.

The total deposits as reported on August 31 were $44,856,973, a decrease since July 1[illegible] of $8,379,[illegible]66; resources August 31, $[illegible]9,887,752, an increase of $46,285,119;

due depositors, $360,384,277, a decrease of $15,235,303.

—A new state bank has been organized at Tompkinsville, Staten Island, to be known as the Tompkinsville Bank.

Louis Nixon, the shipbuilder, and other prominent citizens of Richmond borough are interested in its organization and expect to have it open for business this month. The institution will have a capital of $100,000 with a paid-in surplus of $25,000.

—Henry W. DeForest and Colonel Dudley Evans have been elected directors of the Mercantile Trust Co.

—The Corn Exchange Bank announces that a new branch office has been opened in the Hudson Terminal building at Dey and Church streets. The branch, which makes the fourteenth to be opened by the Corn Exchange Bank, will be known as Dey Street branch, and should be a profitable venture, as the location is good.

—Ezra B. Tuttle has been elected president of the Williamsburg Savings Bank of Brooklyn to succeed Gen. Jeremiah V. Meserole, deceased. Mr. Tuttle has been connected with the bank several years as secretary and vice-president. Cornelius H. Tiebout has been elected second vice-president and John V. Jewell will fill a vacancy in the funding committee.

—On September 9, the Battery Park National Bank left its old offices at 24 State street and took possession of new and larger quarters in the Produce Exchange building.

—An increase of more than $82,000,000 in the total resources of the trust companies in the state from June 17 to August 31 last is shown in a statement made public by Supt. Clark Williams of the State Banking Department, showing the condition of eighty-two trust companies as reported by them at the close of business August 31, in comparison with their reports showing their condition as of June 17 last.

An increase of more than $83,000,000 in total deposits is also shown.

The total resources on August 31 were $1,355,311,819, an increase of $82,579,770 over that reported on June 17. The total deposits were $1,075,474,964, an increase of $83,019,882. The amount loaned on collateral was $478,018,714, an increase of $9,875,149.

—The September number of the Fidelity and Casualty Company's bulletin, contains much of interest to the reader, whether that reader be an agent or policy holder.

There is a pithy editorial on Governor Hughes, which discredits the popular opinion that insurance interests in New York are opposed to his re-election. Then there are some sketches, some amusing, and some calculated to make one consider seriously the question of insuring against the risks met in various lines of work.

One humorous paragraph asks if osculatory insurance will be the next; will enterprising companies insure affectionate young men against osculatory theft suits? And commenting on the question the editor of the Bulletin says: It would go against our conscience to pay anyone indemnity in such a case. Insurance goes against *loss* not against *gain*.

—The Prudential Savings Bank of Brooklyn opened its doors for business on September 28 at 975 Broadway, Brooklyn, under most auspicious conditions. This makes the twentieth savings bank that has begun business in New York state within the past eighteen years. Those previously chartered during that time were: The Brevoort, of Brooklyn; The Dollar, of New

York; The Niagara County, Niagara Falls (1890); The Home, of White Plains; The Watertown, of Watertown (1893); The Eastern District, of Brooklyn (1895); The Union, of Patchogue (1896); The Greater New York, Brooklyn (1897); The Maiden Lane, New York (1903); The Guardian, Brooklyn (1904); The North Side, New York (1905); The Hamburgh, Brooklyn; Sumner, Brooklyn; Bronx, New York; State, New York; Peoples, New Rochelle (1906); The American, Buffalo; Home, Brooklyn; Universal, New York (1907), and The Prudential, Brooklyn (1908).

Commodious quarters have been obtained for the Prudential in the thriving Williamsburgh section of Brooklyn—a fruitful field for such an enterprise. The banking room is 20x90, fitted throughout with mahogany furnishings. To the left of the entrance is the president's room, with rugs, easy chairs and library writing desk. Adjoining and immediately in the rear are the tellers' cages and bookkeeping department. A massive and modern steel vault with mahogany trim faces the lobby from the rear, lending an air of dignity and stability to the banking room. This is to be fitted up with safe deposit boxes for the use of the customers of the bank.

The directors' room, furnished in keeping with the other appointments, together with private booths for customers of the safe deposit department, completes the equipment. A gratifying amount of business has attended the bank thus far and success is assured. The officers are: Joseph Vollkommer, president; Jesse T. Dingee, first vice-president; John Auer, second vice-president; Dietrich W. Kaatz, treasurer; Francis B. Mullin, counsel; Hollis H Searles, cashier; Louis P. Buck, teller.

—The New York Clearing-House Association at its special meeting September 24, approved the proposed codification and amendment of its constitution. The amendments, as was made known in the notice of the meeting recently issued to the banks, were largely technical, and were intended, for the most part, to make the text of the constitution harmonize with the amendment adopted last winter permitting the admission of trust companies to the clearing-house.

The codification, or rearrangement, of the article of the constitution, which also was approved yesterday, was intended to bring together all the articles bearing on each of the several subjects dealt with in the constitution. Amendments adopted from time to time have been tacked on to the constitution, and had made it more or less incongruous in form. It was this that led to the rearrangement approved yesterday.

—Charles M. Schwab has been elected a director of the Greenwich Bank to fill a vacancy.

Mr. Schwab is widely known in banking and mercantile circles as the president of the Bethlehem Steel Company and his acquisition by the Greenwich Bank is fortunate for the interests of that institution.

—The opening exercises of the New York University School of Commerce, Accounts and Finance were held on the night of September 24, in the University building, Washington square, East. The new students came in such numbers that it was necessary for the University officers to organize an overflow meeting. Both meetings heard short addresses by Chancellor MacCracken, Mr. Henry R. Towne, president of the Merchants' Association, and Dean Joseph French Johnson.

—The stockholders of the Mutual Alliance Trust Company have voted an increase in the company's capital stock from $500,000 to $700,000, the additional $200,000 to be supplied by transferring that sum from

surplus to capital and by the distribution of a forty per cent. stock dividend to the stockholders of record on September 28.

The increase in the trust company's capital is for the purpose of meeting the requirements of the amended banking law with regard to the proportion between a trust company's capital and the number of its branches. The Mutual Alliance has two branches.

Figures submitted to the stockholders at their meeting showed an increase of over $2,000,000 in the institution's deposits since July 1 last, a growth from about $4,000,000 to over $6,000,000, or an increase of more than fifty per cent. The change in capital gives the company a capital of $700,000, and leaves its surplus in excess of $300,000.

—Marwick, Mitchell & Co., chartered accountants, announce that F. H. Leland, a graduate engineer and industrial specialist of wide experience, has become associated with them in their offices at 79 Wall street. In conjunction with their accountancy practice, Marwick, Mitchell & Co. render service to their clients in connection with industrial organization, manufacturing operations, and cost accounting.

—At a special meeting of the stockholders of the Twenty-third Ward Bank it was voted to increase the capital stock from $100,000 to $200,000. The directors accordingly declared the dividend of 100 per cent. payable October 1, the proceeds of which are for the purpose of subscribing to the additional capital.

The increased capital is in accordance with the new state law requiring additional capital for the branches of a banking institution.

—Walter H. Barrett, well known in newspaper and financial circles, has retired from the management of the Wall Street Summary. His associates in the Summary and the New York News Bureau presented him with a loving cup.

—Directors of the First National Bank have declared a quarterly dividend of five per cent. on the bank stock, and three per cent. on the stock of the First Security Co., which compares with the usual eight per cent. quarterly dividend paid by the First National Bank heretofore.

This is the first dividend credited to the First Security Co. since that company was organized, on May 19 last, with a capital of $10,000,000 as a holding company for securities and other property formerly carried by the bank.

The dividends were payable October 1 to stock of record September 30.

—At the regular monthly meeting of the Chamber of Commerce October 1 the following were elected to membership: Adrian Gips, David J. McComb, Thomas M. Murly and George F. Upham.

This was the first meeting of the Chamber since the vacation season. J. Edward Simmons, president of the Chamber, who has been ill during the past summer, was on hand and presided. Secretary Wilson of the Chamber was absent owing to illness. Mr. Wilson has been connected with the institution for fifty-one years, and he has only been absent from four meetings in all that time. Business transacted was of a routine nature.

—At a special meeting of the stockholders of the City Investing Company October 2 it was voted to increase the capital stock by $1,000,000 to $5,000,000. The additional shares will be classified as preferred stock and be offered to holders at par in proportion to their holdings.

—Fisk and Robinson's Monthly Bulletin of Investments for October says that bank deposits, which in 1900 were a little over seven billion dollars, have now increased to more than thirteen billion. Nearly one-fourth of this colossal sum is concentrated in Greater New York, among institutions accustomed to financing the needs of the railroads. Yet aid is not forthcoming and the banks content themselves for the present with the less remunerative returns from commercial paper. The real fact is that uncertainty as to the future attitude of national and state governments toward the railroads still practically dominates the situation. The Bulletin quotes liberally from President Roosevelt's utterances, showing his position with regard to corporations.

NEW ENGLAND STATES.

—Wage-workers' insurance at cost, that is the novel experiment recently begun in the state of Massachusetts with the sanction and protection of the Legislature. The new law permits savings banks to take out licenses to issue life insurance for the benefit of workingmen and their families at actual cost. The law eliminates all selling expenses and offers to the workman either protection for his family or an annuity against old age. Every cent paid in by policyholders as well as the interest it earns must be used for their benefit.

The claims that the plan is impracticable and that the workmen will not appreciate the advantages offered by the system, has been disproved by the Regal Shoe Company, which for the benefit of its own employees induced the Whitman Savings Bank of Whitman, Mass., to take out a license. The system is said to be working admirably, so much so that the co-operation of the Whitman Savings Bank and the Regal Shoe Company will undoubtedly be imitated by other banks and manufacturers.

—On September 5 the aggregate deposits of the Boston national banks for the first time exceeded $250,000,000. As measured by the statement of the nineteen clearing-house banks on that date, total deposits of the banks amounted to $250,996,000, which was a gain of nearly $8,000,000 over the preceding week alone. This figure for deposits is more than $1,150,000 in excess of the previous high level of $249,056,000 on August 15.

The present high aggregate of bank deposits represents a gain of $48,627,000 or twenty-four per cent. from the low point of March 2, the clearing-house banks on that date showing a total of but $202,369,000. A year ago deposits were $205,339,000. Previous to this year the highest record for deposits was somewhat above $232,000,000, recorded in April, 1905, a figure which was never exceeded until July of the present year.

—On September 15 the banking house of George E. Banks and Co. at 53 Devonshire street, Boston, suspended business and filed a petition in bankruptcy in the United States district court. The liabilities are scheduled at $14,980 and the assets at $4,650.

—Hornblower and Weeks, the well-known banking firm of Boston, have opened a branch office in Detroit, Michigan, under the management of John J. Hayes and Fred T. Dolsen.

—After January 1, 1909, when the new Massachusetts trust company law goes into effect, Boston trust companies which carry a ten per cent. cash reserve and the remainder of the required twenty per cent. in balances payable on demand due, from reserve agents, will be themselves permitted to act as reserve agents for other trust companies.

The new law provides that trust companies in Boston holding ten per cent. cash and ten per cent. balances may qualify as reserve agents. Other Boston trust companies must have a reserve of twenty per cent. of their deposits, eight per cent. of which must be in cash, and twelve per cent.

balances, but four per cent. may be held in United States or Massachusetts bonds.

Trust companies doing business in Massachusetts, but outside of Boston, will be required to carry a reserve of only fifteen per cent., six per cent. of which must be cash and nine per cent. balances, but three per cent. may be in bonds of the United States or of Massachusetts.

So far as the wording of the new law is concerned, this merely imposes on Boston trust companies, which wish to act as reserve agents of other trust companies, a two per cent. cash reserve in excess of that required to be held by other Boston trust companies, and four per cent. in excess of that held by similar institutions outside the city.

As a matter of fact, however, the new law, by establishing a distinct class of ten per cent. cash reserve trust companies, practically obliges every one of the larger institutions, for reasons of prestige and business policy, to enter this class, even though they may hope to gain little from the reserve agent privilege. The existence of these ten per cent. cash reserve trust companies will be undoubtedly a bulwark to the whole trust company system in the Commonwealth, but the burden of maintaining this standard will rest directly on a very few institutions.

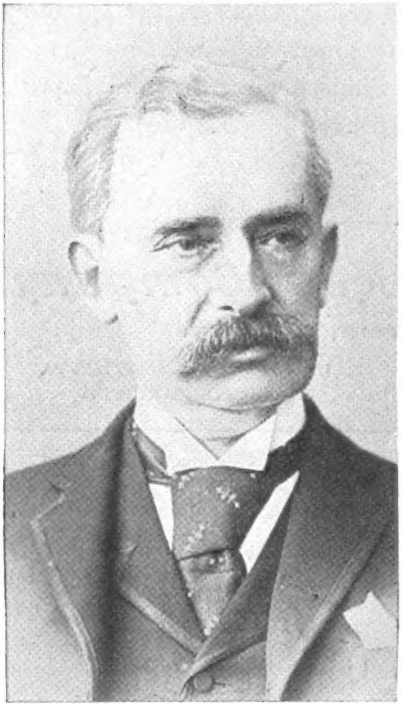
—Samuel Nelson Aldrich, the well-known financier and former railroad man, president of the State National Bank of Boston and assistant treasurer of the United States Sub-Treasury at Boston from 1887 to 1890, died on September 27 at his summer home in Lynn, Mass.

Mr. Aldrich was born in Upton, Mass., on February 3, 1838, and was educated at Worcester Academy, at Southampton Commercial Academy and at Brown University, Providence, R. I. He studied law with Hon. Isaac Davis and E. B. Stoddard in Worcester and afterward at the Harvard Law School. He was admitted to the bar and began to practice his profession at Marlboro, Mass., in 1863, and after 1874 he had an office in Boston.

Mr. Aldrich was prominent in the public affairs of Marlboro and was for nine years a member of the school committee, being chairman for several years, and served four years on the board of selectmen, and held other local offices of trust and honor. He was for some time a director of the Peoples Bank of Marlboro and president of its board of trade. He was also president of the Framingham & Lowell Railroad, and afterward president of the re-organized Lowell & Framingham Railroad.

In 1879 Mr. Aldrich was elected to the state Senate from the Fourth Middlesex district, and during that session served as chairman of the Committee on Taxation. He was a member of the several Commit-

tees on Bills in the third reading, on Federal relations and on Constitutional Amendments. He was returned to the Senate in 1880, and did efficient service on the same committees and was a member of the Committee on Judiciary. He was the Democratic candidate for Congress in the Seventh Massachusetts district, but was defeated by Hon. William A. Russell of Lawrence.



Samuel Nelson Aldrich.

In the Senate Mr. Aldrich was an able debater and was one of its most influential members.

It was in March, 1887, that Mr. Aldrich became assistant United States sub-treasurer of Boston by appointment of President Cleveland. He resigned in 1890 and became the president of the State National Bank. He had been resident vice-president and a director of the American Surety Company of New York, director of the Boston Merchants Association and of the Boston & Maine Railroad, and for some years president and director of the Central Massachusetts Railroad and a director of the Mercantile Fire & Marine Insurance Company.

—Since the beginning of the year, four of the nineteen clearing-house banks of Boston have felt warranted in increasing their dividend rates. In three cases at least the advance has been to a ten per cent. basis, so that at the present time there are five national banks in Boston which are paying regular dividends of ten per cent. or more.

The First National Bank has raised its rate from eight per cent. to twelve; the Shawmut National, from eight to ten; the Webster & Atlas National from six to seven; and the Merchants National from eight to ten per cent.

The two other banks paying ten per cent. or over are the Security National and the Winthrop National. Their rates have not been changed.

—On September 28, Henry Hornblower, of the firm of Hornblower & Weeks, was elected vice-president of the Boston Stock Exchange over Sumner B. Pearmain, the regular nominee, by a vote of 74 to 32. Following is the full list of officers elected: President, Lyman B. Greenleaf; vice-president, Henry Hornblower; treasurer, Sidney Chase, and governing committee, John Parkinson, Charles Head, Frank W. Remick, Philip W. Wrenn, Harry K. White, George N. Towle, and Charles M. Cabot, all for one year.

—Charles H. Sawyer, president of the Medford (Mass.) National Bank, with a number of influential men of Medford will form the Medford Trust Co., which will later absorb the Medford National Bank.

—The Shelburne Falls, Mass., national bank has completed extensive changes in its quarters. A new entrance was made and the old one closed. In the interior

there has been a complete re-arrangement. The old vault has been taken out and its place taken by new and up-to-date Diebold vaults of approved construction. The walls are covered with Japanese leather and wainscoted with Pavonazzo marble, which is also used in the counter. All of the furnishings are in mahogany, and the grille at the counter is of ornamental bronze. The directors' room is finished in oak with Japanese leather on the walls. The vaults are protected by the bankers' electric protective association. The rooms are equipped with the latest conveniences and appliances.

—Augustus B. Endicott, the veteran president of the Dedham National Bank of Dedham, Mass., reached his ninetieth birthday on September 17.

He was at his desk in the bank building as usual and received a large number of friends there who called to congratulate him.

—At a meeting of the trustees of the State Savings Bank of Hartford, Conn., Charles E. Billings was chosen president to succeed the late Samuel Taylor, and Charles A. Goodwin was elected vice-president, to succeed Mr. Billings.

—All the accounts and business of the National Traders Bank of Portland, Maine, has been turned over to the Fidelity Trust Company of that city, and the combined business will hereafter be conducted under the title of the latter.

This action, it was decided, would work for the best interests of all concerned, and therefore depositors of the National Traders Bank have been notified of the change and have been requested to continue their banking relations with the Fidelity Trust Company.

Leander W. Forbes, the president of the National Traders Bank, and John M. Gould, the cashier, and his associates, will be with the trust company as officials.

EASTERN STATES.

—Harrison E. Nesbit, of Washington, D. C., who was appointed a national bank examiner about a month ago, has been assigned to Pittsburgh and is making his headquarters in the office of Bank Examiner John B. Cunningham in the Federal building. He was formerly a clerk in the Department of Agriculture.

Examiners Cunningham and Nesbit will

work in conjunction in the Pittsburgh district, Examiner William L. Folds being employed by the Department of Justice in connection with the prosecutions growing out of the failure of the Allegheny National Bank.

—Two new directors have been elected to serve on the board of the Marine National Bank of Pittsburgh. C. F. Patterson, a well-known local attorney, fills the vacancy caused by the death of J. E. Umstaetter, and Frank H. Wood of the Pittsburgh Steam Banking Co., succeeds W. E. Von Bonnhorst. The Marine National, as its latest statement shows, is in a flourishing condition.

—Vice-President E. A. Kitsmitter of the Cosmopolitan National Bank of Pittsburgh, which was closed on September 5 by Judge F. F. Oldham, after an examination of its affairs by Examiner J. B. Cunningham, has submitted a plan for the voluntary liquidation of the bank. It provides that the Cosmopolitan shall be merged with the Monongahela National Bank.

Vice-President A. L. Richmond, of the Mt. Washington & Savings & Trust Co. of Pittsburgh has stated positively that the Mt. Washington Savings & Trust Co. will not go into liquidation and will not go out of business. It will pay off all its depositors at once and close out its banking business. In the future it will be exclusively a trust company.

—The United Savings Trust Co., of Pittsburgh, has been organized with a capital of $200,000 and a surplus of $400,000. It is closely affiliated with the U. S. Realty Co., and the institutions will operate together.

—Directors of the First National Bank of Pittsburgh have decided to begin at once the erection of an individual bank building, prepared as to foundations and throughout, for extension to a 25-story office building, if in the future it is considered advisable to do so.

The new building will cover 120 feet on Wood street by 80 feet on Fifth avenue, and its erection will mean the razing of the four old buildings on Wood street owned by the bank. While the present banking house is being torn down and the new one built, the bank will occupy the building on Fifth avenue next to the Exchange National Bank, the lease having been made a year or more ago for a period of three years.

—James S. Kuhn, president of the Pittsburgh Bank for Savings, has been chosen as president of the First National Bank of Pittsburgh, vice F. H. Skelding, who has resigned because of the pressure of other business. Mr. Kuhn, the new president, is a man eminently fitted to succeed Mr. Skelding, for he has spent the greater part of his life in the banking business. He began his career as a messenger in the First National in 1867 and remained with it in different capacities until 1875, when he entered the employ of the First National Bank of McKeesport, as assistant cashier.

He was made cashier of this bank in 1886 and president in 1890. Mr. Kuhn has been actively interested in many of the large banking institutions of Pittsburgh, and is closely connected with different large business interests. He is a director in the Colonial Trust Co., Columbia National Bank, Germania Savings Bank and the Second National Bank, and is president of the American Water Works and Guarantee Co., the reputation and standing of which is of the highest.

At the same meeting, W. S. Kuhn, a brother of the new president, was elected first vice-president to fill a vacancy caused by the death of Thomas Wrightman.

The active interest of these two men in the management of this great bank, together with the already strong board of directors, insures beyond question a prosperous future.

—The First Mortgage Guarantee & Trust Company, of Philadelphia, announces that Leslie M. Shaw, former Secretary of the United States Treasury, has accepted the presidency of the company, and, assisted by an able board of directors, will enter upon his official duties about November 1.

Mr. Shaw will become a resident of the city of Philadelphia, and will give the First Mortgage Guarantee & Trust Company all of the advantage of his energy and great business experience. An able lawyer and distinguished banker, he has twice been governor of the state of Iowa, and occupied

the position of Secretary of the United States Treasury longer than has any predecessor since 1841.

Before agreeing to come to Philadelphia Mr. Shaw required that the entire authorized capital stock of the company, $1,000,000 and the surplus of $500,000 should be underwritten. This has been done. He also required that the public should be given an opportunity to participate with the underwriters in subscribing to this company's capital stock.

—Atwood Violett & Co. have opened a branch office in the Mariners' & Merchants' building, Third and Chestnut streets, Philadelphia, with M. A. Phillips, Jr., as manager.

—The Northern Trust Company of Philadelphia places the percentage it earned upon its capital at $184,601, or 36.9 per cent. This is the largest percentage of any trust company in Philadelphia, according to the figures as of May 19, 1908. Its surplus and net profits were $1,169,786, an increase of $134,601, as compared with the returns of May 27, 1907.

—Horace T. Potts, former president of the Consolidation National Bank, of Philadelphia, and now president of the Second and Third Streets Passenger Railway of that city, has been elected one of the vice-presidents of the Union Trust Company.

—The condensed report of the Merchants National Bank of Philadelphia made to the Comptroller on September 23, shows the affairs of that bank to be in excellent shape at this time. The report follows:

Resources.	
Loans and discounts	$10,457,632.57
Due from banks	1,299,315.98
Exchanges for clearing-house	494,685.33
Cash and reserve	2,604,603.21
	$14,856,237.09
Liabilities.	
Capital	$1,000,000.00
Surplus and undivided profits	904,269.53
Circulation	619,000.00
Deposits	12,332,967.56
	$14,856,237.09

—On September 8 the fourteenth annual convention of the Pennsylvania Bankers' Association was opened at Bedford, Pa. The delegates were welcomed by Congressman John M. Reynolds, of Bedford, and addresses were made by John B. Jackson, of Pittsburgh, president of the association; S. D. Scudder, of the International Banking Corporation, New York, on "International Banking," and William A. Law, vice-president of the Merchants' National Bank, Philadelphia, on "Co-operation in Commercial Credits."

This was followed by the usual reports, which showed the association to be in an excellent condition.

The subject of legislation placing under control of the state such concerns as foreign banking houses, steamship agencies accepting deposits and foreign exchange banks was brought up, discussed and finally referred to the standing law committee.

In his annual address President John B. Jackson, of Pittsburgh, spoke of the urgent need of an elastic currency for this country if we ever expect to get permanent relief from recurring depressions.

Vice-President William A. Law, of Philadelphia, in his address on "Co-operation of Commercial Credits," emphasized the need of closer co-operation between bankers along the line of the credit information, with a view to the correction of abuses and proper safeguarding of credit, particularly with regard to commercial paper.

All the other sessions of the convention were equally as profitable and interesting as the opening one, and the entertainment of visiting delegates was all that could be desired.

—William B. Vrooman has been appointed assistant secretary and treasurer of the Peoples Trust Company of Philadelphia. This office has never been filled before in this company, but the increase of business of the last few months has made the services of an assistant secretary and treasurer necessary.

—Irving E. Waters has been elected president of the Union Stock Yards Bank of Buffalo, N. Y., to succeed the late Hi-

ram Waltz. At the same time Charles C. Theobald was made assistant cashier.

—The Citizens' Trust Co. of Utica, N. Y., is now in its new building of classic design. The facade of the building bears remarkable resemblance to the famous and beautiful temples of the Greeks. The plain and simple interior finished in marble and mahogany makes a very handsome banking room. President Taber of the Citizens' Trust Co. was formerly secretary of the New York State Bankers' Association.

—On September 18 James H. Perkins of Boston was elected vice-president of the National Commercial Bank of Albany, New York, to fill the vacancy made a year ago by the resignation of Charles H. Sabin.

Mr. Perkins has been prominent in Massachusetts banking circles, and is vice-president of the American Trust Company of Boston. He is a graduate of Harvard University, being president of the class of 1898. He was a member of the varsity crew and one of the most famous Harvard oarsmen of his time.

—The Citizens Bank of Westfield, New York, just recently opened its new banking quarters to the public and held an informal reception, receiving many compliments on the handsome appearance of the new rooms.

According to a late statement this bank is in a flourishing condition and its officers are among the most prominent and well-liked men of Westfield.

Dewitt G. Jillson is president; George F. Dickson and Vernon A. Kent, vice-presidents, and Fred P. Fox, cashier.

—W. F. Polk has succeeded E. W. Greenman as cashier of the National City Bank of Troy, N. Y. Mr. E. F. Bullard has become assistant cashier.

—A new national bank has been organized in Cape May, New Jersey, where it will be open about December 1. It will be known as the First National, with a capital of $50,000, and will be the first national bank organized in the city. At present there is but one other banking institution to compete with—a branch of the Security Trust Company of Camden, N. J.

The president of the First National will be W. L. Stevens, and among the organizers are former Senator Haines of N. J.; John MacCay, Henry Rutherford, Wm. Church and J. Cummings, all of Cape May.

—With instructive addresses and a delightful feast, the thirteenth annual session of the Maryland Bankers' Association closed with a banquet at the Hotel Belvedere, Baltimore, on the night of September 18. The tables were spread in the ball room on the twelfth floor, and the room was filled with 300 members and guests.

It was the general expression of the members that this ended one of the most successful meetings the association has ever held, and the desire to come back to Baltimore again for the next annual meeting was the almost unanimous view.

The time and location for the next meeting is in the hands of the administrative committee, which will determine it during the winter.

Speeches were made at the banquet by N. Winslow Williams, secretary of State, who represented Governor Crothers; Leslie M. Shaw, ex-Secretary of the Treasury; Judge Henry Stockbridge of the Supreme Bench of Baltimore; and Charles H. Treat, Treasurer of the United States.

At the afternoon session preceding the banquet the event of most interest was the election of officers. The report of the nominating committee was adopted and the following were chosen:

President: William B. Copper, cashier Second National Bank, Chestertown.

Vice-Presidents: Joseph D. Baker, president Citizens' National Bank, Frederick; D. F. Kuykendahl, cashier Second National Bank, Cumberland; Townsend Scott, Townsend Scott & Son, Baltimore; W. Woodward Cloud, president Maryland Savings Bank, Baltimore; August Weber, president German Bank, Baltimore; John J. Nelligan, third vice-president Safe Deposit and Trust Company, Baltimore; R. K. Vanneman, cashier First National Bank, Havre de Grace; John Sterling, cashier Bank of Crisfield, Crisfield; Dr. James Bordley, president Centerville National Bank, Centerville;

Adrian Posey, president Southern Maryland National Bank, La Plata.

Secretary: Charles Hann, assistant cashier National Mechanics' Bank, Baltimore.

Treasurer: William Marriott, cashier Western National Bank, Baltimore.

Committee of Administration: Alexander Neill, president Hagerstown Bank, Hagerstown; Gen. John Gill, president Mercantile Trust and Deposit Company, Baltimore; H. H. Haines, president National Bank of Rising Sun, Rising Sun; Col. H. B. Wilcox, cashier First National Bank, Baltimore; Yates Penniman, cashier National Marine Bank, Baltimore.

MIDDLE STATES.

—F. J. Scheidenbelan has resigned as assistant cashier of the American Trust and Savings Bank of Chicago to become cashier of the State Bank of Evanston, Illinois. He succeeds William C. Hoag, resigned.

—A liquidation dividend of twenty-five per cent., making the third and a total of forty-five per cent. has been declared by the Assets Realization Co. on the $200,000 capital stock of the United States Trust Co. of Chicago, successor of the Jennings Real Estate Loan & Trust Co.

—On September 14, Foreman Bros. Banking Company moved into its new quarters in the Chicago Stock Exchange building, 110 La Salle street. This is the fourth removal in the history of this banking institution, and at every change of location a larger space has been occupied.

The latest quarters are a model of what banking facilities should be. The former hall of the bourse has been completely transformed. Nothing but the gallery is left of the spacious exchange, and even this has been altered to enhance the beauty and utility of a place which takes a front rank among the high class banking quarters of the country.

The lofty ceiling has been decorated to harmonize with the general color scheme of the walls and furnishings. The prevailing hue is gold, with which the bronze of the general appointments and the soft saffron of the marble blend perfectly. The decorative effect is at once restful and dignified and is in consonance with the housing of a commercial institution of first importance.

The bank room contains four massive columns, up-to-date electrical appliances, and four customers' counters. The latter are of mahogany, as are the desks of the officers. The fixtures in the cages, however, are all of steel, with the exception of the top, which, like the desks and the counters, is of mahogany.

The vaults are of the latest design. They were built by an eastern firm famous for this class of work. The outer walls, which are built up from the foundation of the building, are of reinforced concrete eighteen inches thick. The money vault is lined with chilled steel two and one-half inches thick and has two huge double steel doors and also a double steel emergency door.

At a recent meeting of the board of Foreman Bros. Banking Co., John Terborgh was appointed assistant cashier.

—Recently the Commercial National Bank of Chicago opened a bond department for their customers and secured the services of D. Douglas Calhoun for manager. Mr. Calhoun has for some time past been in the credit department of the bank and has the qualifications needed for making this new department successful.

—The First State Bank of Zion City, Illinois, was organized May 29, 1908, and in the short time which has intervened since then its business has grown to a noticeable extent. The total resources now stand at $105,461, which is a small sum, but not in any way indicative of the increased business the bank is now enjoying. Chapin A. Day is president of the First State Bank and Duncan G. Bellows is cashier.

—The Commercial German National Bank of Pervia has long been recognized as one of the leading banks of the state of Illinois, being the largest bank in the state outside of Chicago, and larger than a majority of the banks in the metropolis itself.

This bank is notable, not only for its size, but also for its vigor, and is regarded as representing in a high degree the spirit of enterprise and accomplishment which characterizes Peoria as a business city. The capital stock of the bank is $550,000, while its surplus fund is $400,000, and undivided profits more than $50,000, making a total investment of more than $1,000,000.

So rapid has been the growth of the bank during the last four years that for many months it has been looking for larger quarters in a more desirable location, and after considering a number of propositions has leased quarters in the new Bennett building now being erected in the third block on South Adams street.

In deciding upon the equipment of the new quarters strength and beauty have been prime considerations and the materials to be used in working out a most admirable plan will be specially selected marble, mahogany and solid bronze.

About Jan. 1, 1909, the new location will be occupied, and the public will have a most cordial invitation to visit, to inspect and to use the facilities provided for them.

—On September 16 the annual meeting of Group VII. of the Illinois Bankers' Association was held at Springfield. The meeting was attended by several out-of-town bankers and the program was exceptionally good.

E. A. Hall, president of the Springfield Chamber of Commerce, made the address of welcome, to which W. E. Turner of the Farmers National Bank of Taylorsville, responded.

Other speeches were made by Louis G. Kaufman, former president of the Michigan Bankers' Association, Edgar S. Scott, of the Illinois National Bank of Springfield, and Jacob M. Appel, Superintendent of the State Banking Department.

Group VII. includes the counties of Christian, Macon, Macoupin, Montgomery, Moultrie, Sagamon and Shelby. The meeting was at the Illinois County Club House, and the headquarters were at the Chamber of Commerce.

—The proposed amendment to the state banking laws, which is designed to do away with the "dummy director" and place responsibility more directly on the directors in state banks, will be voted on in Illinois at the November election.

The bill, which was supported by the State Bankers' Association, was passed by the last legislature, and was the immediate result of the Stensland bank crash. The bill carried a referendum clause providing that before it should become a law a majority of the voters voting at the November election should approve it.

Among the more salient provisions of the proposed law are the following:

Each director of a bank shall be a bona fide owner of at least ten shares of the capital stock, free of any incumbrance. Any director who ceases to be the owner of ten shares of stock in the bank shall forthwith vacate his place.

Any officer, director or employee of any bank organized under the act, who shall willfully and knowingly subscribe to or make any false statement with intent to deceive any person or persons authorized to examine into the affairs of the bank, shall be punished, upon conviction, by from one to ten years in the penitentiary.

When the directors have organized and the capital stock has been paid in, the state auditor shall make a thorough examination to satisfy himself whether the capital stock has been paid in, that the bank has the full amount dedicated to the business, including the proposed surplus, if any, and if satisfied shall issue a certificate.

No bank may loan to any of its officers or to corporations and firms controlled by them or in the management of which they are actually engaged, until an application for such loan shall first be approved by the board of directors.

At any time when a majority of the creditors of a bank, after any receiver has been appointed, shall petition the court for the appointment of any person nominated by them as receiver, the court shall make such appointment.

—The City National Bank of Council Bluffs, Iowa, has decided to increase the height of its building to four stories, and workmen are now engaged in tearing away the roof and running up the interior walls.

These two additional floors will be fitted up as modern offices and when rented, should provide a handsome revenue to the bank.

The City National's business has grown rapidly since the panic of last fall and it now feels justified in making these improvements.

—Minneapolis banks now claim the largest volume of deposits of any city in the Northwest, outside of Chicago, and the Northwestern National Bank leads all others in that city.

On September 23, the Northwestern National reported deposits of $24,120,541, as compared with $20,722,037 reported on August 26, a clear gain of $3,398,504.

The bank has a surplus of $2,000,000 and its total resources are $29,899,923.

—The First National Bank of Fond Du Lac, Wis., has recently expended a large sum of money in remodeling its home and the result has been most gratifying to the officers and directors of that institution.

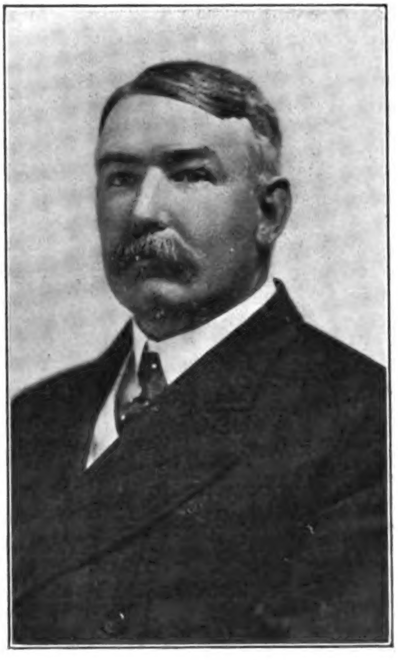
Bronze and marble have been lavishly used in the interior for the grills and counters and beautiful mahogany has gone into the furniture of the president's room. The directors' room is finished in paneled oak, and the effect is pleasing.

The vaults have been fitted with modern steel equipment, consisting of roller shelves, steel customers' boxes, filing cabinets, etc.

The exterior of the building is being finished in a cement coating of venetion red, with trimming in Bedford gray color, giving the building a great deal of character, bringing out the architectural beauty.

A marble entrance to the building is yet to be completed, and it is expected to add much to the external appearance of the structure.

—By the unanimous vote of the board of directors, Benjamin F. Edwards was recently elected president of the National Bank of Commerce of St. Louis, Mo., to succeed the late Jacob C. Van Blarcom.



Portrait by J. C. STRAUSS, St. Louis.

BENJ. F. EDWARDS

President National Bank of Commerce, St. Louis.

Mr. Edwards is a son of Albert G. Edwards, who was Assistant Treasurer of the United States at St. Louis for more than twenty years and the founder of the A. G. Edwards & Sons Brokerage Co.

He began his career as a banker at the

age of sixteen, when he entered the employ of the St. Louis National Bank, afterwards absorbed by the National Bank of Commerce. For a time Mr. Edwards was associated with his father in the brokerage business, and in January, 1880, he became correspondent clerk of the institution which he now heads. He was made assistant cashier of the National Bank of Commerce in January, 1892; became cashier in January, 1899, and vice-president in January, 1904.

The selection of Mr. Edwards to fill the responsible position of president of an institution like the National Bank of Commerce, has given great satisfaction, and it is a well earned promotion for Mr. Edwards, as he has practically managed the bank for two or three years.

—The capital stock of $100,000 and a surplus of $25,000 for an all day and all night bank, to be located at Eighteenth and Market Streets, St. Louis, have been subscribed, and it will be opened early in November. Edward S. Lewis, formerly president of the Central National Bank, will be president.

The bank was promoted by J. Schatzman and J. P. Bruet, Jr., the former having conceived the idea because of reports that reached him of travelers depositing money and jewelry with saloon keepers and merchants near Union Station for safe keeping while they were in St. Louis. The bank will do a general banking business, and will have savings and safety deposit departments. Boxes will be rented by the day to travelers.

—In response to the comptroller's call for a statement of condition, September 23, the Mississippi Valley Trust Company of St. Louis presents a very excellent report of that date. With a capital of $3,000,000, this company now shows total deposits of $8,639,443 and resources of $23,305,431.

—The Mechanics Bank and Trust Company of Owensboro, Ky., has taken over the assets and liabilities of the State Bank of Kentucky of that city also, and the latter will liquidate at once. Owensboro has to-day but nine banks—a few months ago there were twelve.

—C. C. McClarty, president of the First National Bank of Louisville, Ky., for a number of years, has resigned. Cashier James B. Brown will succeed him as president and Charles N. Matthews, assistant-cashier, will be cashier.

—Clarence Reed has been elected cashier of the Hickman (Ky.) Bank to succeed C. P. Shumate, resigned. For the past two years Mr. Reed has been in a bank at Dyersburg, Tennessee. His early training was received in a bank at Fulton, Kentucky.

—Kentucky bankers met at Lexington, September 23, for their sixteenth annual convention. The sessions were good and well attended.

Addresses were made the first day by Joseph T. Talbert, president of the Chicago Clearing House Association and William Sherman, manager New York Clearing House.

On Thursday, the second day of the convention, addresses were made on "Financial Legislation, Recent and Prospective," by Milton E. Ailes, vice-president Riggs National Bank, Washington, D. C.; "Fidelity Bonds and Bankrupt Burglary Insurance Contract with the Kentucky Bankers' Association," by Henry G. Penniman, president United Surety Co., Baltimore, Md.

—The Comptroller of the Currency has approved an application to organize the Continental National Bank in Indianapolis, Indiana. The new bank will have a capital stock of $500,000.

—On September 19, the German-American Bank of Lima, Ohio, threw open its doors and held an informal public reception. The German-American succeeds the Commercial Bank and has a capitalization of $100,000. Henry Deisel is president.

—At a recent meeting of the governing board of the Commercial Savings Bank of Toledo, Ohio, Ambrose A. Moody was elected to the presidency to succeed David Harpster, who resigned last January. Several other changes were made in the personnel of the officers. They now are: John D. R. Lamson, chairman of the board; A. A. Moody, president; Carey B. Close, vice-president and treasurer; J. W. McMahon and Dallas P. Dildine, vice-presidents; F. E. Stewart, secretary and assistant treasurer.

—The Comptroller of the Currency has just completed a reassignment of the National bank examiners who are stationed in Ohio, which has resulted in a general shift throughout the state. S. B. Campbell, of Columbus, formerly Treasurer of the State, who has had the Central Ohio territory for

some years, has been assigned to Southern Ohio, and Samuel L. McCune, of Athens, who has had the Southern Ohio territory, has been sent to the Northern Ohio territory. T. C. Thomas, of Gallipolis, who has been in charge of the northern district, succeeds Mr. Campbell in the Columbus territory.

—On September 3, the First National Bank of Niles, Ohio, was closed on the grounds of insolvency and P. Tillinghast appointed receiver. It was capitalized at $300,000 and according to a report of condition made July 15 its resources were $1,-384,625.

SOUTHERN STATES.

—In the movement of the present cotton crop the farmers who are disposed to hold off the market for better price declare that the bankers of the State of North Carolina have promised co-operation. A year ago the warehouse proposition as originated by the Southern Cotton Growers' Association failed to materialize here, because the banks were not in a position to advance money on cotton receipts.

Some of the biggest financial institutions in the State have promised to attend to the farmers' needs this year in the way of helping them store their cotton. Those who will not cater especially to this sort of business have agreed to look after the interests of their patrons among the farmers, so that it seems now there will be no positive hindrance in the way of the present warehouse movement.

It is said by leaders in the Farmers' Union that the banks in all the Southern States have agreed to assist in the handling of the cotton crop this fall from the holder's point of view. Expecting such a co-operation, many warehouses have been erected and the planters generally expect to be in shape to make some demands of the buyers.

—By the unanimous vote of the directors of the National Bank of Columbus, Ga., and the Home Savings Bank of that city, Rhodes Brown succeeds William B. Slade as president of these institutions. Mr. Brown is president of the Georgia Savings Bank and Mayor of Columbus. Mr. Slade retires to engage in other business.

—On September 18, the Barnesville Bank of Barnesville, Ga., was formally opened for business.

It has a capital stock of $25,000 and the following officers: W. A. Prout, president; Dr. S. Rumble, vice-president; Emmett Langford, cashier; John D. Walker, financial agent. This makes three banks for Barnesville, affording ample banking facilities.

—A consolidation of the Chatham Bank of Savannah, Ga., with the Merchants National Bank of that city, will become effective on November 1. The combined institution will retain the name of the Merchants National.

—A ten-story office and bank building is to be built at once by the Atlantic National Bank of Jacksonville, Florida. Contracts have been awarded and the directors expect work to start at once.

The Atlantic National Bank was organized August 1, 1903, and since the inception it has grown rapidly until it now occupies a place among the foremost institutions of that character in the South.

The officers of the bank are Edward W. Lane, president; F. W. Hoyt, vice-president; Thomas P. Denham, cashier, and D. D. Upchurch, assistant cashier. The directorate is composed of a large number of the leading financial, business and professional men of Florida and Georgia.

—The recently chartered National City Bank of Birmingham, Ala., has perfected its organization by choosing the directors who have elected the following officers: Lewis Minor, president; Ben. T. Head, vice-president and cashier; Thomas Stobert, assistant-cashier, and Charles M. Spencer, assistant cashier. The bank opens November 2 with a capital of $400,000 and a surplus of $100,000.

—At a meeting of the directors of the Bank of Monroe, at Monroe, La., held recently, the resignation of W. S. Kilpatrick as president was accepted, and J. C. Theus was elected to serve in his stead. W. H. Hadley, of Jones, Morehouse, was elected to fill the vacancy on the board made by Mr. Kilpatrick's withdrawal. The officers now are: J. C. Theus, president; R. C. Sparks, vice-president; J. J. Jordan, cashier; C. O. Pease, assistant cashier. Mr. Theus is a member of the law firm of Stubbs, Russell & Theus, of Monroe.

—A new bank, the Merchants and Farmers' Bank of Independence, La., has opened for business in that city. It will do business with a capital of $10,000 with these men in charge: O. N. Herring, president; A. Kluchin, vice-president; R. E. Starns, cashier.

—The comptroller of the currency has received the application of the Union Bank and Trust Company of Dallas, Texas, to incorporate as a National bank, with a capital stock of $200,000.

—The American National Bank of Houston, Texas, has closed a ten years' lease for the three-story building at 210 and 212

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Main Street, opposite its present location, and will proceed at once to fit it up in palatial style for a banking house. The plans are very elaborate and will require until January 1 to complete, on which date the bank will move.

The institution is making great progress since it secured its National charter and the new officers took charge.

—By increasing its capital stock from $500,000 to $1,000,000, the First National Bank of Houston, Texas, becomes the second bank in the state to have a million dollars capital. The other bank is the American Exchange National of Dallas.

—On September 24 a ruling was promulgated by Assistant Attorney-General Hawkins of Texas holding that the board of directors of a state bank has no power to delegate to the executive committee power to make loans indiscriminately to the officers or directors of such banks; that when a director or officer of such bank wants to borrow money the amount must be specified for that particular loan, and before the loan is made a majority of the board of directors must pass on the application in each particular case at a regular meeting, and no director shall borrow in excess of ten per cent. of capital and surplus without favorable action by a majority of the board.

This ruling was in answer to a question from Commissioner of Insurance and Banking Love, and was prompted by a state bank adopting resolutions by its board of directors delegating to its executive committee the power to make loans to inactive officers of the bank. It is held that such a resolution is inoperative and an evasion of law.

—The First State Bank of Weimar, Texas, was closed on September 22 by State Bank Examiner Augustine De Zavalia.

This bank was opened for business August 19, with a capital stock of $25,000. A part of the capital stock was in the form of notes upon which the bank could not realize; hence the action taken by the bank examiner after consultation with the State commissioner of banking and insurance. The deposits at the close of business amounted to $5200.

—At the annual meeting of the stockholders of the Temple State Bank of Temple, Texas, the following officers were re-elected: J. E. Ferguson, president; Z. A. Booth, vice-president; E. J. Slubicki, cashier; C. H. Black, assistant cashier, and all the old directors. A dividend of eight per cent. was declared and $200 was ordered passed to the surplus fund.

WESTERN STATES.

—There are 565 banks in North Dakota, and a late report shows that of that number, eleven have deposits of over $500,000. These eleven banks are scattered throughout the state, and represent pretty accurately the prosperity which that state is enjoying just now.

—T. E. Cassill of Pierre, South Dakota, who has been Deputy State Treasurer since the election of Charles Cassill to the position of State Treasurer, has resigned to accept the position of teller in the Sioux Falls Savings Bank. He succeeds John Barton, who goes to the State Banking and Trust Company of Sioux Falls as assistant-treasurer.

—The first annual session of the Wyoming Bankers' Association convened at Cheyenne September 25.

The visiting bankers were welcomed by Mayor Cook, and heard addresses delivered by State Examiner Harry B. Henderson, Cashier Van Deusen of the Rock Springs National Bank, Cashier W. B. Bucholz of the Omaha National Bank and others. The attendance was good and it is believed that before the association comes together next year there will be many new members.

—A second dividend amounting to twenty per cent. has been paid to the depositors of the Capitol State Bank of Boise, Idaho. The first dividend paid was also one of twenty per cent. and Receiver Meholin believes that in all probability a third dividend of like amount will be paid about January 1, and eventually the total amount paid.

—The Lincoln County State Bank of Gooding, Idaho, has filed articles of incorporation in the Secretary of State's office, and a charter will be issued to the new banking institution by State Bank Examiner Chaney within a short time. The capital stock of the company is $10,000, the company being organized for the purpose of doing a general commercial banking business. George W. Wedgewood has been elected president of the new institution, while W. H. Cannon will hold the position of vice-president, and J. J. Leyson, the secretary and treasurer, will officiate as cashier. The institution will occupy a corner in the new business block which is being erected in Gooding. Other directors of the banking institution are J. A. Dygert and R. W. Fullerton.

—One of the largest national banks in Montana is to be opened in Billings, according to a statement given out by R. E. Shepherd of the Billings Land and Irrigation Company. The bank will have a capi-

tal stock of $250,000 and capital and surplus will total $315,000. The institution will do a commercial business, beginning December 1. While officers are not fully decided on, it is understood that R. E. Shepherd will be president and R. J. Covert of the Fergus County Bank of Lewistown cashier.

The bank will not be antagonistic to any of these now in the city, but the men interested in it believe that additional capital is needed for the upbuilding of the city, which they are now convinced will become one of the largest in the state.

—It is reported that a $1,000,000 bank is to be organized in Salt Lake City, Utah. Emile Maertens, a noted wool expert, will take $250,000 stock in the institution.

—The State Bank of Oasis, Utah, has been incorporated with a capital stock of $10,000 with shares at $100 each, to carry on a general banking business.

Officers are as follows: Henry Huff, president; Milton Moody, vice-president; and these with Washington Rogers, Wm. Huff, and Jens P. Peterson are the directors.

—According to the quarterly report of the State Banking Board of Nebraska, there has been an increase of $2,845,000 deposits in State banks and $2,100,000 increase in loans and discounts.

There have been no failures of State banks in Nebraska during 1908, and but one in three and one-half years.

—Contracts have been closed between the Central State Bank, which is being organized in Omaha, Neb., and a construction company, for the erection of a twelve-story fireproof building in the heart of the retail district of Omaha. The location will not be named for at least thirty days, but it is said will be either at Sixteenth and Harney Streets or Sixteenth and Douglas Streets.

The stock is being offered to the general public and will be largely made up of subscriptions from business men who desire to connect themselves with a state bank which plans to have a capital of $200,000 at the start and later increase its stock to $400,000 or $500,000.

The Central State Bank expects to secure a charter under the laws of the State of Nebraska within thirty days and open a banking house in temporary quarters, which have not yet been secured. The construction of the building is to begin within sixty days after the charter is secured. The bank does not expect to own the building, but will have a banking room built especially for its use on the second story of the building.

—A new bank, chartered as the Dalton State Bank, of Dalton, Neb., will open for business in that city. It has $10,000 capital and the officers are: George H. Willis, president; William H. Kleinke, vice-president; and John H. Willis, cashier.

—The sessions of the Nebraska Bankers' Association were held on September 24 and 25 at Hotel Lincoln, Lincoln, Nebraska, and were the best attended and most interesting of any held in the history of the association.

Governor Sheldon made the address of welcome on behalf of the Lincoln bankers and welcomed the visitors to the city.

Owing to the fact that only a few days intervened between the convention at Lincoln and the national convention at Denver, many bankers from the east came ahead and took in the sessions of the Nebraska Bankers' Association, then went on to Denver.

President Black paid a high tribute to Secretary Hughes, who he said had really done all of the work. The secretary's report showed that there has been a gain in membership of twenty-two since last year, and also that the system of burglary bonds has been very good, as the protective fund of $6,000 testifies.

The one absorbing question up before the convention was the guaranty of bank deposits and after lengthy discussions a resolution was adopted which declared that Nebraska bankers are opposed to the enactment of any general law of guaranty which imposes a special tax, but favor the enactment of any law, state or national, which would tend to afford stability to the banks and safety to the depositors. The address on this topic made by Professor Laughlin of Chicago University was a convincing and logical presentation of the negative side of the question.

The banquet, as usual, was one of the best things of the convention. Music was furnished by Walts' orchestra of Lincoln.

—A consolidation of the United States National Bank with the National Bank of Commerce, both of Denver, has been perfected and the combined institutions will be continued under the title of the first-named bank.

The United States National has increased its capital from $200,000 to $500,000, which is the capital of the National Bank of Commerce. The new officers are: Gordon Jones, president, formerly vice-president of the United States National; Henry I. Rogers and A. C. Foster, vice-presidents; W. B. Morrison, cashier; and James Ringold, assistant cashier.

Both institutions held deposits of approximately $2,500,000 each.

—The State Banking Board of Oklahoma have voted to return all funds paid by national banks into the guaranty deposit fund. Fifty-seven national banks had paid the assessment of one half of one per cent. of their average deposit when Attorney-General Bonaparte ruled against them. One-third of the fifty-seven have denationalized and taken out state charters. The amount refunded by the State Banking Board is $15,000.

—On September 23, the Oklahoma State Bank of Oklahoma City, same State, opened its doors to the public. The company expects to do a general banking business. Their quarters are handsomely furnished and fitted with every convenience and there is a special department set aside for lady customers. The officers are J. C. McClelland, president, and I. B. Levy, cashier.

PACIFIC STATES.

—Ten million dollars' worth of virgin gold, in other words 17 tons of the precious metal, was received in one hundred days at the United States assay office in Seattle in the period ending August 31. The receipts for the eight months of 1908 are almost $3,000,000 ahead of the same period in 1907, despite the low water that has been interfering with operations in Alaska.

—The First Bank of Pasco, Washington, has declared a semi-annual dividend of 6 per cent. on its capital stock of $25,000, and has increased its surplus to $5,000. The bank has been doing a profitable business for the past two years. Its president is Robert Jahnke; James Waters is vice-president, and L. Mathison, cashier.

—When the Fidelity National Bank of Spokane paid its forty-first semi-annual dividend of four per cent. recently, it was learned that although the bank will soon be twenty-one years old, it has never missed its regular dividend in all that time. George S. Brooks has been president since its organization in 1882.

—W. Green has resigned the presidency of the First National of Lind, Washington, and been elected vice-president of the same bank.

R. Cunningham, Jr., becomes president, and Anna Olson assistant cashier.

—Each year a banquet is given to employes of the United States National Bank of Portland, Oregon, and the one given this year occurred on Saturday evening, September 5, at the Rock Island Club. It was an elaborate affair and thoroughly enjoyed by all.

—A certificate has been issued to the American National Bank of Pendleton, Oregon, authorizing it to begin business. The capital is $100,000 and the officers are as follows: Montie B. Gwinn, president; H. C. Stephens, vice-president; J. W. Moloney, cashier, and T. C. Montgomery, assistant cashier.

—The Bank of California's new million dollar structure at California and Sansome Streets, San Francisco, opened its doors for business on September 8 for the first time. An impromptu reception marked the occasion. Officers and directors of every other bank in the city and numerous prominent business men visited the oldest and largest banking institution of California in its new home. Many beautiful floral pieces were received during the day.

A Roman Corinthian style of architecture has been followed. The huge granite pillars at the front and side give the building the appearance of a Greek temple. The interior is of great dimensions. The ceiling is fifty feet above the floor with no supports other than the side walls. Roman columns stand out from the walls, their tops spreading into designs which harmonize in color with the gold and blue decorations of the ceiling. The interior materials are marble and metal. The general tone is gray. Two vaults at the rear are covered with dark grayish blue marble.

The building was commenced as soon after the fire as was possible and has been nearly two years in construction.

—On September 30, the Mercantile Trust Company of San Francisco reported a surplus fund of $1,500,000; undivided profits of $541,066; total deposits of $9,199,094, and total resources of $13,363,639. This compares favorably with an earlier report made during the summer, and shows this institution to be getting new business.

William G. Irwin is president of the Mercantile Trust Company and the other officers are: Henry T. Scott, vice-president; John D. McKee, vice-president and cashier; W. F. Berry and O. Ellinghouse, assistant cashiers.

—The Bank of Southern California, Los Angeles, has complied with the rule of the Clearing-House for all commercial banks, and has increased its capital stock from $100,000 to $200,000.

—Creditors of the defunct West Side Bank of Los Angeles, Cal., will receive a dividend of ten per cent. from the receivers. The State Bank Commissioners took charge of the institution last December and on February 11 the receivers were appointed.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Commonwealth National Bank, St. Louis., Mo.; by Tom Randolph, et al.

Mechanics' National Bank, McComb City, Miss.; by W. W. Lake, et al.

Monroe National Bank, Monroe, Wash.; by J. G. Price, et al.

First National Bank, Lemmon, S. D.; by J. W. Harris, et al.

First National Bank, Holyoke, Colo.; by John Heginbotham, et al.

First National Bank, Arkadelphia, Ark.; by T. N. Wilson, et al.

First National Bank, Leland, Miss.; by S. C. Bull, et al.

Maytown National Bank, Maytown, Pa.; by Geo. S. Rhoads, et al.

Waynesboro National Bank, Waynesboro, Va.; by W. N. Fishburne, et al.

Farmers' National Bank, Kansas, Ill.; by R. S. Briscoe, et al.

First National Bank, Ambrose, N. D.; by J. M. Hynes, et al.

Continental National Bank, Indianapolis, Ind.; by J. H. Furnas, et al.

First National Bank, Spiro, Okla.; by J. R. Redwine, et al.

First National Bank, Richmond Hill, N. Y.; by A. L. Reed, et al.

First National Bank, Three Forks, Mont.; by Harry H. Buck, et al.

First National Bank, Monroe, Ga.; by John T. Robertson, et al.

First National Bank, Fawn Grove, Pa.; by W. R. Webb, et al.

Farmers' National Bank, Claysville, Pa.; by D. W. Rasel, et al.

First National Bank, Beaver Creek, Minn.; by M. O. Page, et al.

Shoshone National Bank, Shoshone, Ida.; by Fred. M. Coleman, et al.

First National Bank, Nuremberg, Pa.; by Morgan Griffiths, et al.

First National Bank, Jackson, Ky.; by T. P. Carroll, Jr., et al.

First National Bank, Mountain Lake, Minn.; by J. D. Schroeder, et al.

Califon National Bank, Califon, N. J.; by Elston Beaty, et al.

People's National Bank, Kansas City, Kans.; by G. C. Smith, et al.

Applications for Conversion to National Banks Approved.

Farmers' Bank, Monroe, Ga.; into Farmers' National Bank.

Seven Valleys Bank, Callaway, Neb.; into First National Bank.

Anamoose State Bank, Anamoose, N. D.; into First National Bank.

Bank of Newberg, Newberg, Oreg.; into United States National Bank.

Evarts State Bank, McIntosh, S. D.; into First National Bank.

Union Bank & Trust Co., Dallas, Tex.; into Union National Bank.

Winters State Bank, Winters, Tex.; into First National Bank.

National Banks Organized.

9225—First National Bank, Dexter, Kans.; capital, $25,000; Pres., H. E. Silliman; Vice-Pres., James Lawton; Cashier, B. J. Silliman; Asst. Cashier, E. W. Bruington; conversion of Dexter State Bank.

9226—American National Bank, Houston, Tex.; capital, $250,000; Pres., W. E. Richards; Vice-Pres., Sterling Meyer; Cashier, F. W. Vaughan.

9227—First National Bank, Auburn, Cal.; capital, $25,000; Pres., A. Shadbolt; Vice-Pres., S. G. Watts; Cashier, G. W. Frundage.

9228—American National Bank, Pendleton, Oreg.; capital, $100,000; Pres., Montie B. Gwinn; Vice-Pres., H. C. Stephens; Cashier, J. W. Maloney; Asst. Cashier, T. G. Montgomery. Conversion of Pendleton Savings Bank.

9229—Merchants National Bank, Jersey City, N. J.; capital, $200,000; Pres., O. H. Albanesius; Vice-Pres.'s, Edw. Hoos and Solomon M. Schatzkin; Cashier, Geo. S. Fagan.

9230—First National Bank, Tampico, Ill.; capital, $25,000; Pres., Jno. R. Woods; Vice-Pres., C. R. Aldrich; Cashier, R. F. Woods.

9231—Farmers National Bank, Allerton, Ia.; capital, $25,000; Pres., Jasper McCoy; Vice-Pres., B. Bracewell; Cashier, H. B. Bracewell; Asst. Cashier, Robt. J. Duncan.

9232—First National Bank, Hoisington, Kans.; capital, $25,000; Pres., M. C. Elmore; Vice-Pres., F. V. Russell; Cashier, J. H. Hartman; Asst. Cashier, J. L. Pieper. Conversion of Barton County State Bank.

9233—Hardin County National Bank, Eldora, Ia.; capital, $50,000; Pres., C. McKeen Duren; Vice-Pres., J. D. Newcomer; Cashier, Ellis D. Robb; Asst. Cashier, James Nuckolls. Conversion of Hardin County State Bank.

9234—First National Bank, Kerman, Cal.; capital, $25,000; Pres., Wm. G. Kerckhoff; Vice-Pres., A. J. Hechtman; Cashier, J. P. Myers.

9235—Luzerne County National Bank, Wilkes-Barre, Pa.; capital, $400,000; Pres., Geo. K. Powell; Vice-Pres., Joseph K. Weitzenkorn; Cashier, A. H. Bloom.

9236—Traders National Bank, Kansas City, Mo.; capital, $200,000; Pres., J. R. Dominick; Vice-Pres., E. J. Colvin; Cashier, J. C. English. Conversion of Traders Bank.

9237—First National Bank, DeRidder, La.; Capital, $25,000; Pres., A. I. Shaw; Vice-Pres.'s, T. J. Carroll and A. J. Hanchey; Cashier, J. H. McMahon; Asst. Cashier, D. E. Shaw. Conversion of Merchants and Farmers Bank.

9238—First National Bank, Monrovia, Md.; capital, $25,000; Pres., M. P. Wood; Vice-Pres's., J. C. Walker and W. H. Hogarth; Cashier, C. A. McBride.

9239—Third National Bank, Union City, Tenn.; capital, $60,000; Pres., Jno. T. Walker; Vice-Pres., H. Dietzel; Cashier, D. N. Walker; Asst. Cashier, Hunter Elam.

9240—First National Bank, Auburn, Pa.; capital, $25,000; Pres., W. H. Diefender; fer; Vice-Pres., H. R. Carl; Cashier, F. J. Voss.

9241—National Bank of Commerce, Louisville, Ky.; capital, $800,000; Pres., Saml. Casseday; Acting Cashier, J. J. Hayes; Asst. Cashier, J. Stoddard Johnston, Jr. Conversion of Bank of Commerce.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Carbon Hill—Citizens Bank; succeeded Carbon Hill Banking Co.; capital, $15,000; Pres., H. W. Cranford; Vice-Pres., Jno. R. Pill; Cashier, F. A. Merrell.

Chatom—Chatom State Bank; Pres., James N. Granade; Cashier, C. T. McCorquodale.

Cordova—Cordova Bank; capital, $15,000; Pres., B. F. Borden; Vice-Pres., J. M. Miller; Cashier, B. M. Long.

CALIFORNIA.

Oakland—Telegraph Avenue Savings Bank; capital, $15,000; Pres., W. C. Thomas; Vice-Pres., C. A. Dukes; Cashier, A. Van der Naillen, Jr.; Asst. Cashier, Harold Everhardt.

COLORADO.

Aspen—Aspen State Bank; succeeds State Bank; capital, $25,000; Pres., D. R. C. Brown; Vice-Pres., L. A. W. Brown; Cashier, Geo. R. Cole.

Golden—Golden Savings Bank; capital, $25,000; Pres., Richard Broad, Jr.; Vice-Pres., J. W. Rubey; Cashier, Richard Broad, Jr.

Lamar—Citizens State Bank; capital, $35,000; Pres., D. B. Nowels; Vice-Pres., Chas. Maxwell; Cashier, J. M. Williams; Asst. Cashier, Chas. F. Cook.

GEORGIA.

Blairsville—Bank of Blairsville (Branch of Bank of Mineral); capital, $1,700; Pres., Jno. D. Walker; Vice-Pres., E. W. Butt; Cashier, F. O. Simmons.

Cordele—Dixie Trust & Security Co.; capital, $100,000; Pres., R. H. L. Wilson; Secy., G. R. Mershall.

McDonough—Turner Brothers Banking Co.; capital, $10,000; Cashier, H. J. or D. C. Turner.

Woodville—Bank of Woodville; capital, $100,000; Pres., W. P. McWharton; Cashier, N. J. Gorham.

IDAHO.

Gooding—Gooding State Bank; capital, $10,000; Pres., F. R. Gooding; Vice-Pres., F. W. Hastings; Cashier, I. C. Brubacher.

ILLINOIS.

Allerton—State Bank; succeeded S. W. Allerton & Co.; capital, $50,000; Pres., S. W. Allerton; Vice-Pres., M. Phalen; Cashier, R. E. Burger; Asst. Cashier, Geo. N. Davison.

Bartelso—Bartelso Savings Bank (Branch of Germantown Savings Bank); Pres., A. B. Daab; Mgr., Blase Bach.

Benbow City (P. O. Wood-River)—Peoples Bank; capital, $25,000; Cashier, Steve V. Moore.

Patoka—Marion County Bank; capital, $10,000; Pres., W. W. Davis; Vice-Pres., J. H. Davis; Cashier, E. Lily Barrette; Asst. Cashier, C. M. Ashton.

INDIANA.

Butlerville—Butlerville State Bank; capital, $25,000; Pres., Jasper N. Callicott; Vice-Pres., John E. Murphy; Cashier, Everett Beemish.

Francisco—Francisco State Bank; Pres., D. H. Swan; Vice-Pres., J. R. Morrow; Cashier, Wm. B. Critser.

IOWA.

Buffalo Center—Buffalo Center Savings Bank; succeeds Buffalo Center State Bank; capital, $10,000; Pres., G. S. Gilbertson; Cashier, L. C. Sutherland; Asst. Cashier, A. M. Grinder.

Clutier—Clutier State Bank; capital, $25,000; Pres., John Skrable; Vice-Pres., Frank Maggers; Cashier, J. P. Novak.

Eldora—Hardin County Savings Bank; capital, $25,000; Pres., C. McKeen Duren; Vice-Pres., J. D. Newcomer; Cashier, Ellis D. Robb; Asst. Cashier, James Nuckolls.

Green Mountain—Producers Savings Bank; capital, $15,000; Pres., Wm. Shipton; Vice-Pres., Wm. A. Davis; Cashier, Minnie E. Lincoln.

Marshalltown—Iowa Savings Bank; capital, $50,000; Pres., B. F. Cummings; Vice-Pres., W. H. Arney; Cashier, J. J. McGuire; Asst. Cashier, J. P. Cooper.

Monmouth—Monmouth Savings Bank; capital, $10,000; Pres., John Cass; Vice-Pres., M. Mulvihill; Cashier, C. A. Menold.

Randalia—Randalia Savings Bank; capital, $10,000; Pres., E. A. Mahon; Vice-Pres., E. V. Odekirk; Cashier, E. F. Sorg.

Wyman—Wyman Savings Bank; capital, $12,000; Pres., H. E. Davis; Vice-Pres., W. B. Mathews; Cashier, C. E. Harmon.

KANSAS.

Belmont—Farmers State Bank; capital, $10,000; Pres., James Wilson; Vice-Pres., A. C. Tredick; Cashier, D. C. Crosby.

KENTUCKY.

Horse-Cave—Union Planters Bank; capital, $20,000; Pres., T. Sturgeon; Vice-Pres., Clarence Owen; Cashier, R. T. Smith.

LOUISIANA.

Independence—Farmers and Merchants Bank; capital, $10,000; Pres., O. W. Herring; Vice-Pres., A. Kluchin; Cashier, R. E. Starns.

MICHIGAN.

Edmore—Peoples State Bank; succeeds E. S. Wagers Bank; capital, $20,000; Pres., E. S. Wagar; Vice-Pres., Wm. A. Wood; Cashier, Harry E. Wagar.

MINNESOTA.

Brook Park—Brook Park State Bank; Pres., Isaac Hazlett; Vice-Pres., Geo. W. Empey; Cashier, H. A. Parsons.

Florence—State Bank; capital, $10,000; Pres., S. A. Christianson; Vice-Pres., M. O. Gorseth; Cashier, A. E. Green; Asst. Cashier, A. E. Anderson.

Hinckley—Farmers & Merchants State Bank; capital, $10,000; Pres., Isaac Hazlett; Vice-Pres., Jas. C. Hazlett; Cashier, Geo. W. Empey; Asst. Cashier, J. J. Folsom.

Kimbrae—Kimbrae State Bank; capital, $10,000; Pres., H. L. Bond; Vice-Pres., M. McGlin; Cashier, G. R. Vandike.

Pemberton—Pemberton State Bank; capital, $10,000; Pres., J. A. Gineinder; Vice-Pres., Elias Nelson; Cashier, P. R. Hammer.

MISSOURI.

Americus—Bank of Americus; capital, $12,000; Pres., Wm. Machin; Vice-Pres., F. W. Schnieder; Cashier, F. M. Marlow.

Kansas City—Produce Exchange Bank; capital, $50,000; Pres., J. R. Dominick; Vice-Pres's., E. J. Colvin and J. C. English; Cashier, C. A. Burkhardt.

Marling—Bank of Marling; capital, $10,000; Pres., H. P. Kempinsky; Cashier, W. C. Sitton.

MONTANA.

Melstone—First Bank; capital, $10,000; Pres., H. B. Wiley; Vice-Pres., E. B. Clark; Cashier, C. W. Greening.

NEBRASKA.

Altona—Farmers State Bank; capital, $10,000; Pres., J. C. McNish; Vice-Pres., Geo. Berres; Cashier, T. G. Panning.

Amherst—Commercial State Bank; capital, $10,000; Pres., T. B. Garrison, Sr.; Vice-Pres., John Zehr; Cashier, Henry Mencke.

Dalton—Dalton State Bank; capital, $10,000; Pres., G. H. Willis; Vice-Pres., W. H. Kleinke; Cashier, J. L. Willis.

NEW JERSEY.

Millville—Millville Trust Co.; capital, $100,000; Pres., L. M. Hess; Vice-Pres's., B. B. Weatherby and E. B. Goodwin; Treas., H. A. Weatherby; Secy., W. R. Goodwin.

NEW YORK.

Westfield—Citizens Bank; capital, $50,000; Pres's., DeM. G. Jillson and V. A. Kent; Cashier, Frederick P. Fox.

NORTH CAROLINA.

Bladenboro—Bank of Bladenboro; capital, $10,000; Pres., H. C. Bridger; Vice-Pres., R. L. Bridger; Cashier, H. C. Bridger, Jr.

NORTH DAKOTA.

Lidgerwood—Farmers State Bank; capital, $25,000; Pres., James Coolsbey; Vice-Pres., Frank Phillips; Cashier, Wm. Maas; Asst. Cashier, F. W. Mashek.

Loraine—Loraine State Bank; capital, $10,000; Pres., H. J. Dale; Vice-Pres., Nels Iverson; Cashier, Lewis W. Dale.

Nome—Farmers State Bank; capital, $7,500; Pres., Martin Miller; Vice-Pres., M. H. Wilberg; Cashier, L. Hogstad.

OHIO.

Lima—German American Bank; succeeds Commercial Bank; capital, $100,000; Pres., Henry Deisel; Vice-Pres., W. L. Mackenzie; Cashier, Geo. Feltz; Asst. Cashier, H. M. Slonecker.

OKLAHOMA.

Foss—First State Bank; succeeds First National Bank; capital, $15,000; Pres., A. L. Thurmond; Vice-Pres., F. E. Herring; Cashier, J. Paul Jones; Asst. Cashier, Chas. M. Hoover.

Kansas—Bank of Kansas; capital, $10,000; Pres., J. H. Todd; Vice-Pres., J. T. Pifer; Cashier, C. L. Pratt, Jr.

Kingston—Marshall County State Bank; capital, $10,000; Pres., C. H. Terry; Vice-Pres., B. A. McKinley; Cashier, T. Armoy Key.

Lamont—First State Bank; succeeds First National Bank; capital, $12,500; Pres., A. C. Thompson; Vice-Pres., W. C. Muegge; Cashier, L. H. Thompson; Asst. Cashier, C. A. Blasdel.

Norman—State Savings Bank; capital, $15,000; Pres., H. Downing; Vice-Pres., J. B. Barbour; Cashier, Ed. K. Himes.

SOUTH CAROLINA.

Estill—Bank of Estill; capital, $25,000; Pres., H. L. Solomons; Vice-Pres., R. T. Causey; Cashier, M. M. Chisolm.

Moncks Corner—Bank of Berkeley County; capital, $15,000; Pres., O. Cohen; Vice-Pres., A. H. Silcox; Secy., H. W. Silcox.

SOUTH DAKOTA.

Aberdeen—Brown Brothers State Bank; capital, $25,000; Pres., R. L. Brown; Vice-Pres., F. A. Brown; Cashier, C. R. Connell.

Groton—Farmers State Bank; capital, $20,000; Pres., J. W. Walter; Vice-Pres., L. T. Strong; Cashier, C. M. Krebs.

Hecla—Farmers & Merchants State Bank; capital, $10,000; Pres., Joseph Wegener; Vice-Pres., J. J. Stehly; Cashier, Clyde McGinitie.

Houghton—Bank of Houghton; capital, $5,500; Pres., J. H. Duerr; Vice-Pres., A. W. Campbell; Cashier, J. G. Campbell.

Oulda—Farmers Bank; capital, $10,000; Pres., C. J. Johnson; Vice-Pres., Geo. L. Coleman; Cashier, Will Spencer.

TENNESSEE.

Limestone—Farmers & Merchants Bank; capital, $7,600; Pres., W. P. Smith; Vice-Pres., Thad A. Cox; Cashier, D. B. Pence.

TEXAS.

Carney—Carney Exchange Bank; Pres., A. N. Deering; Vice-Pres's., A. M. Riley and H. R. Standifer; Cashier, Herman Pitts.

Centerpoint—Guadalupe Valley Bank; succeeds First National Bank; capital, $20,000; Pres., H. M. Burney; Vice-Pres., A. Rees; Cashier, G. P. McCorkle.

Dayton—Dayton State Bank; capital, $10,000; Pres., R. S. Sterling; Vice-Pres., J. T. Tadlock; Cashier, W. T. Jamison.

Longview—Peoples State Bank; capital, $30,000; Pres., L. Trice; Vice-Pres., T. C. Morgan; Cashier, W. K. Eckman.

Ratcliff—Ratcliff Bank; Pres., Geo. W. Riddle; Cashier, Earl Wheeler.

WASHINGTON.

Kennewick—First International Bank; capital, $25,000; Pres., S. M. Lockerby; Vice-Pres., C. W. Lockerby; Cashier, H. E. Johnson.

Malden—Malden State Bank; capital, $20,000; Pres., H. A. Kaeppler; Vice-Pres., F. L. Kinney; Cashier, R. P. Loomis.

Molson—Commercial Bank; capital, $10,000; Pres., L. L. Wook; Asst. Cashier, F. J. May.

Pe Ell—Boynton Brothers & Co.; capital, $10,000; Cashier, C. W. Boynton.

Port Orchard—Kitsap County Bank; capital, $20,000; Pres., Peter F. Nordby; Vice-Pres., John B. Yakey; Cashier, Geo. E. Miller.

Tippenish—Traders Bank; capital, $25,000; Pres., J. D. Cornett; Vice-Pres., A. W. Coffin; Cashier, Wm. M. McGowan; Asst. Cashier, W. S. Doran.

WISCONSIN.

West De Pere—State Bank of De Pere; Branch of De Pere; Mgr., M. J. Maes.

WYOMING.

Upton—Upton State Bank; capital, $10,000; Pres., James Stirling; Vice-Pres., W. B. Ogden; Cashier, C. A. Grippen.

QUEBEC.

Farnham—Quebec Bank; Mgr., A. Geo. Russell.

St. Cesaire—Molsons Bank; Mgr., O. L. Mercure.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Florence—First National Bank; N. C. Elting, Pres., in place of R. L. Bliss, deceased; A. A. Berger, Vice-Pres., in place of N. C. Elting; Turner Rice, Cashier, in place of N. C. Elting; Robt. M. Martin, Asst. Cashier, in place of Turner Rice.

ARKANSAS.

Lincoln—Bank of Lincoln and Citizens Bank; merged under former title; capital increased to $10,000; T. L. McColloch, Cashier.

CALIFORNIA.

Corona—First National Bank; F. J. Mueller, Cashier, in place of J. P. Key.

Monrovia—American National Bank; B. S. Davies, Second Vice-Pres.

San Francisco — Anglo-Californian Bank; Philip N. Lilienthal, Pres., deceased.—Western National Bank; Clarence Grange, Vice-Pres.

Sebastopol—Bank of Sebastopol; W. W. Monroe, Pres.; Geo. P. McNear, Vice-Pres.; W. M. Fitzsimmons, Asst. Cashier.

CONNECTICUT.

Greenwich—Greenwich National Bank; R. M. Wilcox, Cashier, in place of W. C. Connolly.

DELAWARE.

Smyrna—National Bank; Eugene Davis, Pres., in place of W. H. Janney; Harry C. Tschudy, Vice-Pres.; Chas. J. Sudler, Cashier, in place of Eugene Davis.

GEORGIA.

Demorest—Savings Bank; C. E. Hendrickson, Pres., deceased.

Ellaville—Bank of Southwestern Georgia; A. J. Walters, Mgr., deceased.

Fitzgerald—Exchange National Bank; J. E. Turner, Vice-Pres., in place of E. F. Chambless.

Gainesville—State Banking Co.; T. E. Atkins, Pres., in place of C. C. Sanders, deceased.

ILLINOIS.

Chicago—American Trust & Savings Bank; F. J. Scheidenbelan, Asst. Cashier, resigned.—Foreman Brothers Banking Co.; John Terborgh.

Joliet—Will County National Bank; no Pres. in place of J. A. Henry, deceased.

Metcalf—First National Bank; T. Maddock, Vice-Pres., in place of Wm. Jones, deceased; no Asst. Cashier in place of Bruce Nichols.

INDIANA.

Lowell—Lowell National Bank; Geo. L. Foster, Asst. Cashier.

Seymour—First National Bank; B. F. Schneck, Vice-Pres., in place of W. P. Masters.

Tell City—Citizens National Bank; John Conway, Cashier, in place of R. Huelsmann.

IOWA.

Centerville—Citizens Savings Bank; title changed to Wooden Savings Bank.

Leon—Exchange National Bank; A. L. Ackerley, Cashier, in place of E. D. Dorn.

Marion—First National Bank; C. H. Kurtz, Pres., in place of J. S. Alexander; W. W. Vaughn, Vice-Pres., in place of J. W. Bowman; J. W. Bowman, Cashier, in place of C. H. Kurtz.

KENTUCKY.

Frankfort—National Branch Bank; D. W. Lindsey, Pres., in place of E. L. Samuel; J. H. Graham, Vice-Pres., in place of D. W. Lindsey.

Hickman—Hickman Bank; W. C. Reed, Cashier, in place of C. P. Shumate, resigned.

Lexington—Fayette National Bank; J. E. Bassett, Vice-Pres.

MAINE.

Houlton—Farmers National Bank; no Pres. in place of Llewellyn Powers, deceased.

MASSACHUSETTS.

Boston—Provident Institution for Savings; W. S. Dexter, Pres., deceased.—Second National Bank; Thomas P. Beal, Jr., Asst. Cashier.

Gloucester—Cape Ann National Bank; Jno. J. Pew, Pres., in place of J. L. Stanley; Enoch Burnham, Vice-Pres., in place of John J. Pew.

Lawrence—Arlington National Bank; T. M. Cogswell, Pres., in place of W. S. Knox; Jas. F. Lanigan, Jr., Vice-Pres., in place of T. M. Cogswell.

MICHIGAN.

Alpena—State Savings Bank and Alpena County Savings Bank; merged under latter title. Capital increased to $100,000.

Ontonagon—First National Bank; C. Meilleur, Pres., in place of James Mercer; no Cashier in place of C. Meilleur.

Vermontville—Citizens Bank; C. C. Hallenbeck; Vice-Pres., A. J. Hawes; Cashier, A. L. Barningham.

MINNESOTA.

Austin—Citizens National Bank; M. J. Slaven, Pres., in place of J. W. Scott.

Fulda—First National Bank; J. A. Smith, Pres., in place of Jno. Plut; Jno. S. Tolversen, Vice-Pres., in place of James McCrea; T. P. Downey, Cashier, in place of J. J. Schueller; no Asst. Cashier in place of M. J. Dickson.

Ivanhoe—First National Bank; Samuel Lewison, Vice-Pres., in place of Chas. Soderlind.

Moorhead—Moorhead National Bank; J. Malloy, Jr., Cashier, in place of S. A. Holmes; J. M. Herrick, Asst. Cashier, in place of J. Malloy, Jr.

Rochester—First National Bank; A. C. Gooding, Pres., in place of J. R. Cook.

MISSISSIPPI.

Greenwood—First National Bank; C. E. Wright, Pres., in place of B. L. Jones.

MISSOURI.

Bosworth—First National Bank; T. L. Crane, Asst. Cashier.

Dearborn—Bank of Dearborn; capital increased to $25,000; John S. Williams, Pres.; Alonzo Drair, Vice-Pres.; W. P. Harrington, Asst. Cashier.

MONTANA.

Kalispell—First National Bank; H. C. Keith, Pres., in place of D. R. Peeler; R. E. Webster, Vice-Pres., in place of H. C. Keith.

NEBRASKA.

Hildreth—State Bank; Fred Soker, Pres.; J. H. Blank, Vice-Pres.; W. S. Ashby, Cashier.

Loup City—First National Bank; W. F. Mason, Vice-Pres.; Ira E. Williams, Cashier, in place of W. F. Mason.

NEVADA.

Ely—First National Bank; W. V. Rice, Pres., in place of A. B. Witcher.

NEW MEXICO.

Nara Visa—First National Bank; C. W. Harrison, Cashier, in place of J. C. Farley.

NEW YORK.

Albany—National Commercial Bank; James H. Perkins, Vice-Pres., in place of Chas. H. Sabin, resigned.

Brooklyn—Terminal Bank; John Dohse, Second Vice-Pres., deceased.—Williamsburg Savings Bank; Ezra B. Tuttle, Pres., in place of J. V. Meserole.

Buffalo—Union Stock Yards Bank; Irving E. Waters, Pres., in place of Hiram Waltz.

Edmeston—First National Bank; Delos Smith, Pres., in place of H. C. Brockway, deceased; U. G. Welch, Vice-Pres., in place of Delos Smith.

New York City—Lincoln Trust Co.; Carroll Breckenridge, Asst. Treas.—Twelfth Ward Bank; Frank B. French, Pres., in place of Thos. Simpson, resigned; James V. Iverson, Cashier.

Troy—National City Bank; W. F. Polk, Cashier, in place of E. W. Greenman; E. F. Bullard, Asst. Cashier.

NORTH CAROLINA.

Kinston—First National Bank; D. F. Wooten, Cashier, in place of C. F. Harvey.

NORTH DAKOTA.

Ryder—First National Bank; G. R. Van Sickle, Asst. Cashier.

OHIO.

Adena—People's National Bank; John G. Ickis, Pres., in place of N. R. Smith; Jonathan Binns, Vice-Pres., in place of John G. Ickis.

Cincinnati—City Hall Bank; Henry H. Wiggers, Pres., deceased.

Cleveland—United Banking and Savings Co.; capital increased from $400,000 to $500,000.

Forest—First National Bank; W. F. Borset, Cashier, in place of G. S. Johnson.

Georgetown—First National Bank; H. F. Pindell, Vice-Pres., in place of John Wood, deceased.

Cowell—First National Bank; John B. Eck, Asst. Cashier.

Orwell—Orwell Banking Co.; F. W. Parker, Pres.; E. A. Setters, Vice-Pres.

Struthers—Struthers Savings and Banking Co.; Wm. McCombs, Pres.

Toledo—Commercial Savings Bank; A. A. Moody, Pres., in place of David Harpster, resigned.

Zanesville—American Trust and Savings Bank; merged with Ohio Safe Deposit and Trust Co.

OKLAHOMA.

Dewey—First National Bank; W. L. Norton, Pres., in place of Ola Wilhite; W. A. Letson, Vice-Pres., in place of H. M. Brent; A. S. Gentry, Cashier, in place of W. A. Letson.

Lahoma—Farmers & Merchants' Bank; capital, $15,000; Chas. Grundeman, Pres.; T. H. Miller, Jr., Vice-Pres.; W. M. Gardiner, Cashier.

Mangum—City National Bank; J. D. Curreathers, Vice-Pres., in place of E. J. De Arman.

Vinita—Farmers' National Bank; F. M. Smith, Pres., in place of S. G. Wills; Wm. Little, Vice-Pres., in place of F. M. Smith

PENNSYLVANIA.

Elizabeth—First National Bank; T. F. Wickerham, Cashier, in place of A. D. Pierce.

Ellsworth—National Bank; Geo. C. Schlehr, Vice-Pres., in place of A. H. Dittrick; Chas. W. Connor, Cashier, in place of H. H. Croy; Herbert Melvin, Asst. Cashier.

New Holland—New Holland National Bank; Geo. O. Roland, Pres., in place of James Diller; Geo. F. Besore, Cashier, in place of Geo. O. Roland.

Philadelphia—People's Trust Co.; Wm. B. Vrooman, Asst. Sec'y and Treas.
Pittsburgh—First National Bank; Thomas Whitman, Vice-Pres., deceased.—People's Savings Bank; Thomas Wightman, Vice-Pres., deceased.

SOUTH DAKOTA.

Sioux Falls—Sioux Falls Savings Bank; T. E. Cassill, Asst. Cashier, in place of John Barton, resigned.

TENNESSEE.

Lewisburg—First National Bank; S. T. Hardison, Vice-Pres., in place of T. L. McAdams.
McKenzie—Citizens Bank and Trust Co., and First State Bank, consolidated under title of Citizens' State Bank; J. E. Moseley, Pres.

TEXAS.

Aubrey—First National Bank; T. F. Rodgers, Pres., in place of B. B. Samuels; J. H. Hulme, Asst. Cashier.
Burnet—Burnet National Bank; no Vice-Pres., in place of E. J. Moses; W. L. Chamberlain, Cashier, in place of C. W. Howard; Chas. Schnabel, Asst. Cashier.
Houston—First National Bank; W. E. Hertford, Asst. Cashier, in place of E. A. Palmer, deceased.
Mount Calm—First State Bank; J. H. Reynolds, Pres.; A. P. Duncan, Vice-Pres.; E. C. Fain, Jr., Cashier.
Terrell—First National Bank; no Vice-Pres. in place of Matthew Cartwright.

UTAH.

Salt Lake City—Utah National Bank; no Vice-Pres., in place of W. F. Adams; R. T. Badger, Cashier, in place of Jos. Nelson; C. H. Wells, Asst. Cashier, in place of W. W. Trimmer; no Asst. Cashier, in place of A. C. Strong.

VIRGINIA.

Blackstone—Citizens' Bank and People's Bank; consolidated under former title; capital increased to $100,000.
Hot Springs—Bank of Hot Springs moved to Warm Springs; title changed to Bank of Warm Springs; John C. McGuffin, Pres.; G. B. Venable, Vice-Pres.; J. M. Douglass, Cashier.

WASHINGTON.

Shelton—State Bank; Jean F. Riley, Cashier, deceased.

WISCONSIN.

Shawano—German-American National Bank; no Pres. in place of C. R. Stier.

WYOMING.

Casper—Stockmen's National Bank; Wm. McIntosh, Asst. Cashier.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

Stevenson—Bank of Stevenson; in charge of Receiver J. A. Kyle, Aug. 31.

CALIFORNIA.

San Francisco—Imperial Bank; reported closed.

ILLINOIS.

Hopedale—Hopedale Bank; reported closed.

KANSAS.

Arcadia—Bank of Arcadia; in charge of Receiver Hiram McCullough, Sept. 7.

KENTUCKY.

Beaver Dam—People's Bank; reported closed.
Owensboro—State Bank of Kentucky; in voluntary liquidation.

MICHIGAN.

Athens—Athens State and Savings Bank; reported closed.
Parma — Farmers and Merchants' State Bank; reported closed.

MINNESOTA.

St. Paul—Citizens' Savings Bank; reported closed.—State Bank; reported closed.

NEW YORK.

Buffalo—Meadows, Williams & Co.; in charge of Receiver.
New York City—A. O. Brown & Co.; suspends business.

OHIO.

Cleveland—Metropolitan Banking Co.; reported closed.
Niles—First National Bank; in charge of Receiver, September 3.

OKLAHOMA.

Hobart—City National Bank; in voluntary liquidation, September 1.
Madill—Madill National Bank; in voluntary liquidation, September 4.
Okeene—First National Bank; in voluntary liquidation, September 7.
Pittsburgh—Cosmopolitan National Bank; in charge of Receiver, September 5.

SOUTH CAROLINA.

Union—People's Bank; suspended business, August 4.
Mount Pleasant—Citizens' Banking and Trust Co.; in liquidation, September 3.

WASHINGTON.

Cheney—Farmers and Merchants' Bank; in charge of Receiver A. A. Ames.

WISCONSIN.

Winneconne—Union Bank; reported closed, September 16.

Broad Street, New York City, Showing the Stock Exchange, Commercial Cable Company and Blair & Company's Buildings.

Broad Street, New York City, Showing the Stock Exchange, Commercial Cable Company and Blair & Company's Buildings.

FROM A SPECIAL DRAWING BY OLIVER LIPPINCOTT, NEW YORK.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR — NOVEMBER, 1908 — VOLUME LXXVII, NO. 5

AN INTERNATIONAL AMERICAN BANK.

HAS not the time come for carefully considering what will be the future needs of our banking system to adapt it to the increase in population and business? The foreign trade of America has expanded enormously since 1896. For the twelve months of that year the exports of merchandise were valued at $882,606,938, and the imports at $779,724,674,—a total of $1,662,331,612, while for the twelve months of 1907 the merchandise exports were valued at $1,923,498,434 and the imports at $1,423,326,680,—a total of $3,346,825,114. In a dozen years the foreign trade totals have more than doubled, the exports alone in 1907 exceeding the combined exports and imports for 1896.

Were we to go back a little further it would be found that in a very brief period the foreign trade exceeded the totals for the entire time since the foundation of the Government.

Meanwhile what has been done to adapt the banking system of the country to this enlarged volume of foreign business?

The reply is easily given, but it does not do much honor to our financial foresight: Not a single bank exists, outside American territory, chartered by national authority. Those who desire to make an effort to gain a foothold for American banking in foreign countries are denied even the prestige that would attach to a charter granted by the United States Congress.

If we mean to occupy the position in the world's trade to which we are entitled by virtue of our natural resources, by the industry and skill of our labor, and by the genius of our great captains of industry, American banking must be given an opportunity of world-wide development.

No sound reason exists why an American bank should not be established with branches in every part of the world, and thus reap part of the profits now made by the banks of other nations. At our very doors—in Mexico and Cuba—the banks of Canada may operate branches while our own banks may not.

It is sometimes urged that American trade interests will be as well cared for by foreign banks as they would be by banks operated by Americans under United States charters. That suggestion will be made by nobody who knows the practical side of this problem.

At present American banks operating in foreign countries are weak compared with the native institutions—not in point of management so much as capital. Except the foreign offices of a few large private banking firms, there is not a single American bank operating in a foreign country that has anything like the capital necessary to the proper transaction of business or to establish the confidence essential to the success of such an institution.

At the session of Congress beginning in December, a bill should be carefully

drawn providing for the immediate organization of an International American Bank, having a capital of not less than $100,000,000, with power to issue notes on its coin reserve and credit, and authorized to establish branches in the chief commercial centres of the world.

Such an institution would prove a bulwark of strength to the smaller banks of this country, and would immensely enhance American financial prestige abroad. It would aid beyond calculation in extending our trade and enterprise and in broadening the market for our securities.

Andrew Jackson doubted the power of Congress to charter a bank with authority to operate beyond the limits of the District of Columbia. But we have progressed beyond that idea. Congress could now render an inestimable service to our trade and enterprise by authorizing the establishment of an International American Bank of large capital, and under a form of organization that would assure the best management attainable.

The details of such an organization would, of course, have to be supplied by bankers of wide experience, but there are at least two fundamental points to be kept in mind: the managers of the branches must be clothed with adequate powers, and the branches in foreign countries must be managed in accordance with the especial needs of the respective countries. These ends can be assured only by having local interests represented in the management of the branches.

Of course, there are some countries where such a bank could not exercise the function of issuing notes, but this would not seriously interfere with its ordinary banking operations. Local laws, as a rule, will be found to encourage the investment of foreign capital in banking enterprises.

An International American Bank of the character herein outlined would greatly aid American trade and enterprise and would afford a ready means of bringing into requisition the vast financial power now possessed by the country, but imperfectly utilized for lack of the proper instrumentality to make it effective.

AN opportunity of judging American banking from the standpoint of a friendly critic was offered by the address of Mr. B. E. Walker, president of the Canadian Bank of Commerce, delivered before the recent meeting of the American Bankers' Association at Denver.

Mr. Walker began by paying a tribute to the financial genius of Alexander Hamilton, and deplored our departure from some of the principles laid down by that statesman, and then passed on to a review of our early banking history. In treating of this branch of the subject he said in part:

"It may be urged that neither of the two banks of the United States were so admirable in their careers that we need sigh over their removal, but we can only judge them by comparison with the smaller banks of the same period. In your colonial and revolutionary times you had a curiously full and varied experience in banking and currency. Fiat money, depreciated coinage, currency based on land, clamor by debtors for cheaper money with which to pay debts, were all amply experienced. In the following period, contemporaneously with the first and second banks of the United States, you passed through a time largely of mania in banking; a time when history was recording for this country such fundamental facts as that banks cannot establish a capital fund merely upon the

promissory notes of shareholders; cannot put bank notes in circulation even by the expedient of sending them far from home before issuing them, without considering how they are to be redeemed; cannot lend money on land, or lock it up in other ways, and also have it again when the bank's debts, exigible on demand, fail to be paid. Indeed it was a time when every vagary in unsound banking was being tried.

"But HAMILTON, from some of these experiences and from European history, planned for you a banking system which contained much of what is good in the successful systems of the world. You would not, however, have his system, but preferred to repeat in each new district, from East to South and West, wherever debt and ignorance combined to create banking and currency, the same errors which make such startling history in the early part of the nineteenth century. Is it not time for us to put aside that silly vanity to which democracies are inclined—that it is better to try our own experiments and to ignore history? Unfortunately the apparently brand-new experiments we are willing to try have usually occurred to others in the past, if we had but patience to discover the fact."

RESERVES were dealt with at some length in Mr. WALKER's address. We quote the following points:

"The real reserve requirements of any particular bank differ from those of other banks in accordance with the nature of its obligations as compared with theirs. It is conceivable that the ideal point at which cash reserves should be kept would be different in the case of any ten or twenty banks which you might select for comparison even in the same city or community. The bank which acts mainly as a banker for other banks needs very large reserves indeed. A bank in the same city doing mainly the business of manufacturers, merchants, exporters, etc., will need altogether smaller reserves, and a bank gathering the savings of a quiet country community needs much less again. The law attempts to recognize these facts, but is evidently unable to do so except in a most imperfect manner. Clearly each bank, if it could be trusted to have sufficient intelligence, should be the judge of the reserves it should keep, and it seems safe to say that if you had continued to create large banks with branches, instead of thousands of small banks, the attempt to provide wisdom by law would never have been made. You would doubtless have done as all other nations have done, and not have been an exception to so general a rule.

"If the wrong done only resulted in causing some banks to keep more reserves than they actually required, little would need to be said; but, as has been shown, the law can be so worked as to provide reserves quite too small, and experience shows that banks as a rule choose to keep reserves larger than the law requires. The defect in the law, however, is that by arbitrarily fixing the minimum reserves which must be always in hand, it practically forbids the use of the reserves for the very purpose for which they have been created. The law undertakes to supply that wisdom which it presumes the thousands of bankers do not all possess, and to lay by for them against the rainy day the provision which it presumes they would not be prudent enough to make. But who is to supply the wisdom demanded by such authorities as WALTER BAGEHOT, who says that in a panic the sound banker should lend to the bottom of his box? In times of peace the wise prepare for war, but when war comes the army is flung into the field, not still

held in reserve. The law, however, having forced the sequestration of so much cash and cash resources against the day of trouble, provides no means by which, either under its own wise and paternal direction or at the discretion of the bankers unaided by the wisdom of the law, the cash thus provided may be used to avert disaster.

"I do not wish to be understood as claiming that the present law should be repealed and the thousands of individual banks be left to do as they like. I presume it is true that they cannot be trusted, and that because of the folly which destroyed a more natural system of banking you have condemned yourselves to submit to a paternalism which fixes your cash reserves for you. But I urge as one of the great evidences of the unnaturalness of your system of individual banks the fact that they cannot be trusted to take care of their own reserves, and that no law has been devised which will act the part of Providence for them. I do not maintain that where the banks are larger relatively to the country, as in Canada, they are always wise enough to keep sufficient reserves. It is, as we know, a subject much discussed in many countries, and it would be well indeed if banks could in some way be forced to keep larger reserves, provided there be no interference with the use of these reserves when the hour of danger arrives."

This limitation of the use of reserves operates to decrease the power of the banks to lend and thus intensifies the panic.

Mr. Walker expressed the opinion that the use of clearing-house certificates was, under existing circumstances, an excellent device for utilizing reserves in time of panic, but he said that the issuance of such certificates for use as currency was a dangerous expedient.

COMPARING our own banking system with the branch system, Mr. Walker said:

"Whether we have one system or the other the actual cash will accumulate largely in the few great monetary centres. In the case of individual country banks the cash not needed at home goes to their reserve agents, while in the branch system the series of branches of any one bank are practically one clearing-house with a settled tendency to accumulate actual cash beyond the mere necessities of the till, in the money centres. While retained in these centres, the cash, except to the extent of the reserves, will be employed in some manner so as to earn interest.

"Now, the extent of the reserves necessary on the one hand and the extent to which the surplus funds may be lent on the other is a matter of experience in both systems, but the experience is very different indeed. If we take as examples a bank in a reserve city with one hundred banks as correspondents, and a single bank in another country with one hundred branches, we can readily see the difference. In times of strain the one hundred branch managers do not ask for cash from the head office unless it is actually needed; on the contrary, the moment contraction of loans begins they are a source of strength to the head office. The credit affected and the thing to be managed is one organism. Within this organism fear of each other by its component parts will not enter, and whatever courage its executive possesses will actuate every part of the organism. But in the other case there are a hundred organisms and no cohesion, except that, the skies being bright, all will cohere somewhat, not with each other, but with the one bank in the reserve city. And if the skies are overcast we have a hundred utterly selfish organisms all concluding that their balance with the

bank in the reserve city would be better in their own vaults; in any event they would sleep better if it were there.

"And so we have the extraordinary spectacle which accompanies every panic in the United States of each particular one of the thousands of banks trying to stand alone, except to the extent that the clearing-house certificates have made them cohere. Almost every bank wishes to withdraw its balance with other banks, and as this is an absolute impossibility, the panic reaches its crisis, currency payments are suspended, all currency is hoarded and passes to a really large premium, and the ingenious expedients to which we have referred, whether legal or not, are made use of with that general concurrence by the people and the banks which only exists in the face of a great national danger. The great national danger is that the panic may cause national ruin. But what is a panic? A wide-spread fear without cause.

"In most countries financial panic is caused by fear on the part of those who are not a part of the national finance—who are not bankers and such. But in the United States, whoever may start the panic, those who accentuate it most are the thousands of individual banks by their distrust of each other. We speak indignantly about the private individual who draws his deposit in currency and hoards it. But in time of panic the most active agency in drawing out currency and hoarding it, is the country bank. And it is not the fear of the failure of banks, but the fear of the disappearance of currency which aggravates panics, and brings about disaster and terrible reduction in values.

"To sum it up, it would appear that the same elements which in the United States cause panics of the most ruinous character would not be apt to cause panic at all in better regulated countries. In such other countries, firstly, the reserved cash would be instantly available; secondly, the banks would not be likely to fear one another, but would cohere in meeting any panicky feeling on the part of the public; thirdly, the power of rediscounting or of issuing clearing-house certificates would need to be used to but a small degree if only the demands of the public had to be met and not the demands of thousands of individual banks; fourthly, with these things assured and a reasonably flexible currency, no stoppage of currency payments would be likely to arise."

AFTER referring to the Treasury system and enumerating the different kinds of currency in use in the United States, Mr. Walker passed to a consideration of bank notes.

"Returning to the ordinary currency," he said, "we find that with the exception of the gold coin and paper money directly based on gold coin, all of the vast remainder is currency created for some reason not concerned with the benefit of the business of banking, or, what should be the same thing, of trade generally. We see fiat money rendered necessary by the war but not since funded or redeemed; depreciated silver, or its paper representative, kept at a gold equivalent by the good credit of the United States, a sort of half metallic—half fiat money; and bank issues, so-called, which are merely indirect evidences of government debt. Now, if these species of currency provide all that is necessary in the interest of trade, no one, in the interest of the banks alone, has the right to complain. But is it possible that under modern credit conditions the peculiar functions which in most countries are performed by the credit notes of a bank should be performed by a mass of currency which if not constant in volume is so nearly so

that its non-use at once represents to any holder except the Treasury the loss of so much interest?

Let us consider, once more, the functions of the credit notes of a bank. There are still people who imagine that a natural and quite desirable condition would be one where whenever money is given as the purchase price of a commodity that money should either be gold, or a silver equivalent, or that if paper is used the paper should be actually represented by an equivalent amount of gold or silver practically ear-marked for the purpose. As we know, there is not sufficient coin in the world to make this even remotely possible. As we also know, the trade of this country is rendered possible only by checks, drafts, clearing-houses, paper money of the various kinds we have referred to, and various other substitutes for money which in the main merely shift the credits and debits between different individuals and institutions. We shall never return to the simpler conditions of the use of money which closely followed barter, and I presume we do not wish to. But if we do not this nation must manage somehow to achieve its large volume of trading, done so largely by credit instruments, in such a manner as to avoid panics and such violent changes in prices as cause widespread ruin. Let us be frank with one another and admit that you have been quite unable to do this. You have achieved the huge volume of trade; you have achieved the necessary transportation—most difficult of problems usually; but you apparently cannot manage the shifting of credits without panic. You constantly fall short of currency, and the fear of this accentuates the difficulty so much that sometimes those who have the power to do so lock all the currency up and leave the country without the necessary financial machinery with which to carry on business.

"There are countries in the old world where the fluctuations in the volume of trade and in the price of commodities and securities from one year to another, and from one part of the year to another, are not so violent as to require much elasticity in the currency. But in the United States, where the volume of trade and the price of commodities and securities vary largely from one period of contraction through a period of expansion to the next period of contraction, and from one year to another, and from one part of a year to another, and from day to day, there should be in addition to the constantly varying total of checks, drafts, and such credit instruments, with which most of our trade is done, a species of credit note issuable by banks which can be varied in total quantity in proportion as the total quantity of trade done with such instruments of credit varies. And there is the additional reason for such a credit note that whenever, because of panic or any form of distrust, the ordinary currency is hoarded or additional cash is being held by banks as reserves, some legal credit currency becomes more than ever necessary. No one at this late day will advocate the issue of such a credit currency unless it is perfectly safe.

"A currency issued to the extent of the paid-up capital or less, as you have generally proposed; secured as your national bank notes now are, by a first lien on the assets of the bank including the double liability but not by anything specially deposited or ear-marked; further secured by an insurance fund; and bearing a fair rate of interest if not paid by the liquidator immediately after suspension, is perfectly safe in any country where daily redemption can and will surely be effected.

"The whole difficulty in carrying out

such a plan in this country lies in the fact that you have become used to a system which requires practically no redemption, and with so many thousands of banks you do not quite know how, or you are not quite willing to take the trouble to establish the complicated machinery necessary to effect such daily redemption.

"That the issues proposed are credit notes, while national bank notes are not, and that they must be subjected to actual daily redemption, while national bank notes need not, should never be lost sight of for a moment. One of the greatest elements of safety in such issues lies in the fact that having performed the credit service required they will immediately come back for redemption.

"But some of you will ask how with thousands of banks can you prevent a bank in Kansas arranging with a bank in Oregon to circulate each other's notes, so that the volume kept out would be increased by the geographical distance on the one hand, while the difficulty and expense of returning for redemption would be made unbearable on the other? Clearly by organization you could prevent this, but it is rendered so troublesome by the many thousands of banks that you doubtless will not do so. But again it seems that the obstacle to flexibility in your currency also lies in your thousands of individual banks."

Most thoughtful students of our bank-note problem will agree with this view, that there is no substantial reason why credit currency might not be safely issued by the existing national banks, but at the same time the difficulty which Mr. Walker points out is fully conceded. Elaborate redemption machinery would probably be necessary, and there is some fear that it might prove too cumbersome to be workable. This can only be demonstrated by experiment, but many bankers are reluctant to make the trial.

REGARDING the proposal to establish a central bank, the stock of which should be owned by the national banks, Mr. Walker found several objections. In the first place, the central bank, in order to rediscount for the several thousand stockholding banks, would have to possess almost superhuman knowledge of credits, and could hardly expect to avoid causing serious dissatisfaction owing to real or alleged discrimination in making loans. Political influence, or the fear of it, must also be taken into account.

Two other arguments against a central bank were given by Mr. Walker:

"(1) An argument against such a central bank, which perhaps will appeal more strongly to a Canadian than to an American banker, is that as the central bank may not have any customers except banks, it can do nothing to change the state of affairs now existing because of which a large borrower may have either to keep a discount account with a great number of banks, or to sell his paper to sometimes as many as fifty or sixty banks, or even more, through the medium of a note broker. This clumsy manner of borrowing not only prevents that close intimacy between a sound borrower and his banker which, lasting over a series of years, tends so much to create firmly cemented credit relations, but it undeniably has often caused perfectly solvent American merchants or manufacturers to fail—a thing which in other countries would be regarded as reflecting on the banks of such countries.

"(2) Another argument which would appeal to Canadian banks and to all other bankers engaged in financing the export and import business of the United States, is that the central bank,

having no customers except the banks of the United States, could do little to build up the foreign exchange business, which is still done mainly by bankers other than the national and state banks. Now that you own the Philippines and the Hawaiian Islands, now that your foreign trade is increasing so rapidly and, should your tariff be lowered, will increase much more on the import side, surely the need of great banks in the United States capable of establishing large banking connections with other countries, and capable of doing a large international business themselves is obvious."*

"(4) Where in time of trouble the capital of the country may be mobile and capable of being centralized when necessary.

"(5) Where there may be banks capable of doing the entire lending business of your merchants and manufacturers, except where these are unusually large, when they could be divided by arrangement between two or three banks.

"(6) Where a great international banking business may be created and you may do justice to your over-sea possessions, to the great ports of export and import, to your mercantile marine, and to your position among the great nations of the earth."

WITH all these objections Mr. WALKER did not doubt that a central bank, if wisely administered, would be an improvement upon present conditions. He thought, however, if the temper of the people would permit such a departure from the present system better plans of banking reform may be found. In order that such reform may be permanent, he said, it should provide for a new kind of bank which should be able to create:

"(1) A sound credit currency with effective daily redemption.

"(2) A distribution of capital available for lending, so that it shall not be idle and congested in one locality and scarce or non-existent and proportionately dear in another.

"(3) A condition where the gold and other cash reserves of the country may be made more effective and doubtless be minimized in quantity.

AND here is what Mr. WALKER proposes to bring about these desirable reforms:

"This state of things, can, I think, only be brought about by your permitting the creation of banks in the United States similar to the banks of other countries. As I have tried to show, the mere creation of one central bank will not change the defective character of the eight or ten thousand other banks. The suggestion I ventured to make in 1895, and which I give below unaltered, was based upon the national banking system and the ten per cent. tax on state bank issues being allowed to remain as they are, and the new powers to be added to those enjoyed by a national bank or to be enjoyed by banks under state or Federal charters as indicated below:

"'Any bank with a paid-up capital of $1,000,000 or over, to be allowed to issue notes, say to the extent of seventy-five per cent. of the paid-up capital, secured only by being a prior lien on the assets of the bank, including the double liability of stockholders, and by

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* Before reading Mr. Walker's address we had prepared some suggestions along this line. See "An International American Bank," on a preceding page.—Editor Bankers Magazine.

an insurance fund of say five per cent., and to be free from the ten per cent. tax. Such banks to be allowed to establish branches within the state in which the head office is situated. If the franchise is granted by a state the Federal Government to approve of the regulations securing the note issues, and to hold the insurance fund. I do not enter upon the question of what the minimum paid-up capital should be in the case of banks desiring to avail of such bank issues, but not to open branches. I hope, however, it might be practicable to make it as high as $500,000.

"'Any bank with a capital of say $5,000,000 or over, to have the same privileges as to note issues and to be allowed to establish branches throughout the United States, limited, if thought necessary, to cities of national and not local importance. Such a franchise would, I suppose, be granted by the Federal Government. In view of all that has happened since the war, I presume it would not be too great a stretch of Federal power to grant such a franchise.'

"In the light of later experience I should think that banks having power to establish branches throughout the whole of the United States and its oversea possessions should have a larger minimum capital than $5,000,000. This, of course, proposes asset currency, and I am aware of the arguments which have been made against it. But no effective argument has been made other than the difficulty of applying it to thousands of relatively small banks, and effecting that daily redemption which is indispensable. That it can safely be applied to all individual banks with a capital of $500,000 and over, and to all banks with branches with a capital of $1,000,000 and over, I have no doubt whatever. That it is extremely desirable in this country if it can be made safe, I am quite certain.

"But quite as important as the asset currency, to my mind, is the branch system. If you make your laws so that it is merely permissive, surely the branch system will not come into being in an important degree unless it is right in principle. If it is right in principle, should the particular interests of ten thousand or more individual banks stand in the way of a great public good?"

THE subjects discussed above are of deep interest to the bankers of the United States, and it is fortunate that they should be so ably dealt with by one of the banking authorities of this continent.

There will be substantial unanimity of opinion as to the wisdom of the reforms advocated by Mr. Walker. But of the two possible remedies he suggests neither will be received in this country with much enthusiasm. And the one he favors most—branch banking—is the least acceptable. If the bankers of the United States were compelled to choose between a single central bank, and a system of large banks with branches, they would doubtless decide in favor of the central bank, though as a matter of fact they do not wish either. But a great central bank, with branches in the chief commercial centres only, and particularly if the functions of such a bank were confined to transacting business with other banks, would be much less dreaded as a competitor of the existing banks than a few large banks with branches. Mr. Walker does suggest that the number of branches may be limited. Yet the proposal which he regards with most favor virtually means the introduction of the branch banking system into the United States. This we believe to be imprac-

ticable. Nor do most American bankers consider it desirable. While admitting many excellent features appertaining to the branch system and the patent defects of our own independent system, the weight of opinion seems to be that, all things considered, the business progress of the country has been greater with our present system than it would have been with branch banking. This view rests chiefly on the assumption that local officers and directors of an independent bank are more intensely interested in the development of the community where a bank may be located than a branch manager would be, and the assumption is apparently confirmed by the comparative development of communities under other similar conditions, the one having the small independent banks and the other the branch system.

There may be one valid argument for adopting the branch bank system. Banking facilities are already sufficiently extensive. We now need safety, elastic credit note issues, and greater coherence among the banks. These considerations will be powerful in the future in shaping opinion either in the direction of a central bank, branch banking, or some form of union or co-operation among the banks as they now exist. If the latter were practicable it would seem to be the least objectionable. But whether the thousands of banks can ever be brought together, with all their diversity of interests, we do not know. The experiment is a difficult one, but certainly worth trying.

Banking opinion in this country seems hopelessly confused. After fifteen years of discussion there is no crystallization of sentiment in favor of anything in particular, though very few seem satisfied to allow things to remain as they are.

Mr. Walker's address represents the ripe conclusions of a banker of wide experience and sound learning. American bankers may not be inclined to accept his views regarding branch banking, but they will recognize that he has clearly and accurately laid down the principles upon which a reform of our banking system must be based.

EXAMINATION of banks by bankers themselves is provided for in the new State Clearing-House to be organized in California. It is announced that the objects of the new association are to improve and strengthen the banking system, to guard against improper and unsafe conduct on the part of any bank in the state, and to provide for a thorough examination by experts into the affairs of every bank that has membership in the association. The interests of the bankers and the public in general are to be safeguarded.

Whatever difficulties may develop in carrying out these laudable purposes, the experiment possesses deep interest for the bankers of the entire country. The same idea has been adopted already by a number of the regularly-organized clearing-houses, but the formation of a state association for the specific purpose of supervising the banks is an innovation. If a practicable plan can be worked out there seems to be no doubt that this movement will result in great good to the banks as well as to the general public.

It may be difficult to devise a plan that will not meet with some opposition. For one bank to be examined by others, and possibly by rivals, would be distasteful, though this objection may be avoided by having the examinations made by outside experts. Apparently, too, the elimination of the speculators and reckless from the banking business may raise an outcry that the freedom of banking is being interfered with,

though there can be no doubt of the benefits to the community that would follow from such "interference." Great care will have to be taken to prevent any real injustice; and often, perhaps, it will be found necessary to help weak banks instead of taking action that would cause their suspension.

If the new State Clearing-House succeeds in carrying out the objects of those instrumental in its organization, the California bankers will have rendered the bankers of the United States a great service in establishing the fact that it lies within the power of bankers themselves to furnish efficient supervision of their institutions, thus protecting their stockholders and depositors, and rendering wholly unnecessary the imposition of a tax upon the banks to insure the payment of deposits.

DIRECTORS of national banks who have heretofore trusted the management of their institutions entirely to the officers will be greatly disturbed by the following circular, recently issued to national bank examiners by the Comptroller of the Currency:

"Hereafter upon entering a bank for the purpose of making an examination, the board of directors should be immediately convened by the direction of the examiner to enable him to obtain the information necessary to answer the following questions. The members of the board should be advised that the inquiries are made by direction of the Comptroller of the Currency. This statement must accompany and form a part of the report of each examination:

"1. What is the number of directors of the bank?

"2. What number was present at this examination?

"3. How many of the directors know the condition of the bank in all its details?

"4. How many have but a general knowledge of the condition of the bank?

"5. How many know nothing at all about the condition of the bank?

"6. How many attend board meetings with regularity?

"7. Have the directors full knowledge of the habits and general standing of the bank's employes?

"8. Do the directors approve loans before or after they are made, or leave this important duty to a committee, or to the officers of the bank?

"9. If they approve loans, is their approval of record in each case?

"10. Can the directors certify to the genuineness of the signatures to the notes discounted by the bank?

"11. Do the directors authorize overdrafts?

"12. Do they tacitly permit officers to allow overdrafts?

"13. Do any of the directors, other than members of the discount committee, examine and verify loans and discounts?

"14. How often do the directors examine and list all collateral held by the bank?

"15. How often do the directors examine and list all stocks, securities and real estate mortgages owned by the bank?

"16. Do the directors direct the calling in and balancing of pass books and satisfy themselves as to the correctness of the work?

"17. Do the directors require the verification of accounts current at irregular or stated dates and satisfy themselves as to the correctness of accounts?

"18. Have the directors verified outstanding certificates of deposit, certified checks and cashier's checks?

"19. Have the directors examined

into the condition of the lawful money reserve?

"20. Do they know whether or not bank notes are carried into the reserve?

"21. Does a committee of the directors count the cash periodically?

"22. Has a committee of the directors ever checked up the stock ledger?

"23. Have the directors examined the profit and loss and expense accounts?

"24. Have the directors compared the bank's copy of its last report of condition and statement of earnings and dividends with the books of the bank as of the same dates?

"25. How many of the directors read the letters of criticism from the Comptroller?

"26. Do they read carefully the replies made in answer to letters from the Comptroller?

"27. What steps are taken by the directors to correct matters criticised by the Comptroller?

"28. How many of the directors have read the National Bank Act?

"29. How many know the duties of directors and what the courts have decided as to the responsibility and liability of directors?"

By merely asking these questions it does not necessarily follow that the Comptroller intends to hold directors in every case to a strict compliance with the duties which the inquiries imply. For example, in some of the big city banks where loans run into millions, and there are thousands of borrowers, the directors would not only have to relinquish other business connections but would have to sit up very late at night in order to verify all the signatures to the notes held by such banks. It is not believed that the Comptroller intends to impose duties of so arduous a nature upon bank directors, and if he should the result would be contrary to what he is aiming at, for a policy of this character would deprive the banks of many of their most valued directors. Whatever a bank may suffer through the neglect of its directors, it nevertheless remains a fact that the best bank director is a man of affairs, one who is busily engaged in some line of industry or commerce. Men of this stamp can not spend their time in verifying signatures on the paper of banks of which they may be directors. What they can do is to appoint a committee from among the directors to make such verification, or hire an expert to do the work, where it is necessary that it should be done.

Probably the Comptroller does not intend to impose such heavy burdens upon bank directors as one might infer from reading this rather formidable list of questions. But the replies made to them will enable him to judge whether or not the directors are exercising at least that reasonable degree of supervision over their banks which the law requires.

VIGOROUS efforts are being made by Comptroller MURRAY to improve the methods of examining the national banks. While the work of the bank examiners is susceptible of betterment, it may be doubted whether really efficient supervision will ever be afforded until the present system of examination is radically changed. Government examination is valuable and will always be necessary to determine whether the laws are being obeyed. But the condition of a bank depends upon the character of its assets—its bills receivable, stocks, bonds or other property. To ascertain the value of the item first named—the all-important one—is a task beyond the ability of any but a trained banker familiar with conditions where the bank may be located. Undoubtedly the best kind of examination would be that performed by the

banks themselves, compactly linked together in some practical form of organization. Indeed, if such an organization were formed and a thorough system of examination put in force, it is probable that reckless banking could be stamped out entirely, thus rendering unnecessary the imposition of a tax to insure the payment of depositors.

The practical question would seem to be this: Shall dangerous banking be allowed to continue until it ripens to a harvest of disaster, or shall it be restrained at the outset before it has wrought the widespread mischief that nearly always follows a bank failure? We know that there are those who insist that failure is the only adequate penalty for bad banking, and that those who deposit their funds in a poorly-managed bank ought to lose them because of a lack of discrimination in failing to select a sound bank; but while this argument might be valid if the ill effects of bank failures were confined to the insolvent bank itself or to its depositors, it fails entirely when these ill effects are distributed throughout the community and wholly innocent persons made to suffer. Does any one believe, for example, that it is a just penalty for thousands of laborers to be thrown out of employment because their employer may have been dealing with a bank that becomes insolvent?

The time to put a stop to venturesome or fraudulent banking is in its very beginnings. That course will be best for the speculative bank itself, for the business community and for the solvent and well-managed banks themselves. Conditions where no banks ever fail are preferable to those which tolerate bad banking until it culminates in the inevitable crash and ruin.

In several of the large cities the clearing-houses are developing a method of bank supervision that is destined to have excellent effects. At first sight it may appear like an unwise innovation for the clearing-houses to depart from their principal function—that of effecting economies in making exchanges—but as was pointed out by President Gilbert of the New York Clearing-House Association in his address before the recent meeting of the Clearing-House Section of the American Bankers' Association, as these associations obtain power they gradually learn to use it, and always in the direction of wise and conservative banking.

The system of clearing-house examinations is manifestly an exercise of power along this line. Some banks may object to having their affairs enquired into in this way, but it can hardly be open to question that all would be benefited by the higher standard of banking that would follow a really efficient system of examination applicable to all the banks of a community.

But there are some drawbacks in the way of the general adoption of clearing-house examination and a possibility that it may not do all which its friends hope for. A clearing-house is a voluntary association, without legal means of enforcing its decrees. It may, of course, fine or expel its members. Furthermore, clearing-houses include but a small percentage of the banks in their membership, there being many country districts having no such organizations.

Probably the surest way of obtaining efficient bank supervision would be for the banks of a community, limited in extent, to form an organization, under legal authority, that would have the power of supervision over every bank in the territory. This would make it certain that examinations would be conducted by experienced bankers having that knowledge of local conditions which would enable them to judge of the value of the paper held by the banks and to keep a strict and continual watch over the character of the man-

agement of every bank in the particular territory. It is doubtful if really efficient bank supervision can be had in any other way. The attempts of Comptroller MURRAY to improve the existing system are nevertheless commendable. If he fails to acomplish the end in view the need of a change in the existing system of examinations will be emphasized.

THE report of the Currency Commission of the American Bankers' Association, read by Governor HERRICK at the Denver convention, illustrates afresh the possibility of extracting sunshine from cucumbers. Speaking of the Aldrich-Vreeland currency law, the report said:

"In the Aldrich-Vreeland measure, however open to severe criticism, Congress, by law, has recognized the normal and legitimate assets of a bank as the natural and proper basis of credit extended to the bank in the form of circulating notes. The principle for which we have so long contended has thus received legislative sanction. To this extent the labors of the American Bankers' Association have been crowned with success."

We had supposed that the principle contended for by the American Bankers' Association was something entirely different, namely, credit currency, which is not recognized in the Aldrich-Vreeland law. All that this law does is to extend the class of securities that may be deposited as collateral for notes issued. No new principle is accepted. So long as the law requires the deposit of a bank's assets with a trustee to secure the notes issued, we shall be as far removed as ever from having a credit currency.

The Currency Commission of the American Bankers' Association has taken the right position upon the bank-note question, as may be seen from the following quotation from the report:

"Credit Currency, commended in your Commission's first report, and approved by this Association at its last convention, had further proof of its soundness in principle and efficiency of operation in those countries having such a currency, during the world-wide crisis of last fall."

Though this kind of currency was emphatically repudiated by Congress in enacting the Aldrich-Vreeland law, the Currency Commission of the American Bankers' Association seems well satisfied!

The high character of the Monetary Commission appointed by Congress is also commended, though this may be intended for sarcasm. Those familiar with the history of currency legislation may read the following from the report presented at Denver and judge for themselves:

"It was the conviction of the Commission, based upon experience and the study of the history of periods following previous panics, that no financial panic could immediately follow the crisis of last fall, and that it was the part of wisdom to enaet no makeshift legislation lest such an enactment for the purpose of supposed temporary relief should prove a serious stumbling block in the way of legislation for the comprehensive and fundamental correction of the grave defects of our banking and currency system.

"Your Commission strongly urged this view upon Congress, at the full hearing courteously granted by the Banking and Currency Committee. It was sought to impress upon Congress that, if not feasible to enact immediately such laws as would give us a thoroughly scientific banking and currency system, it would be wisest to defer all

legislation upon the subject except for the appointment of an able committee, instructed to make thorough investigation and submit its recommendations to a subsequent Congress. Although this view was not adopted in full, the Commission feels that its efforts were not in vain, inasmuch as the Committee desired was appointed by Congress. The high standing and recognized ability of the members of this Congressional Committee, and the vigorous way in which it has entered upon this important work, warrant the confident expectation that its report and recommendations will form the basis for such legislation as will give us a banking and currency system such as our vast commercial interests so urgently need, and such as will make this country the greatest financial power in the world. Your Commission begs to urge that hearty co-operation be extended to this Congressional Committee, and that the American Bankers' Association earnestly continue to final success its efforts for currency and banking reform."

Mark Tapley, under the gloomiest surroundings and circumstances, never could have beamed more radiantly than this.

EXCELLENT service in behalf of currency reform has been done by the Currency Commission of the American Bankers' Association. Its members, we believe, are unanimous in favoring the adoption of a credit currency, and Governor HERRICK is one of the ablest advocates of that reform.

The reason that the report presented at Denver took such a roseate view of the situation must be attributed entirely to political considerations. A majority of the members of the Commission, including Governor HERRICK, are opposed to the Aldrich-Vreeland law, and we are inclined to think that at least several of the members are not very hopeful of getting anything much better out of the recommendations of the Currency Commission appointed by Congress.

But apparently through fear of injuring Republican prospects in the presidential campaign, the Currency Commission of the American Bankers' Association presented a colorless report, glossing over the financial sins of the Republican party. Will a policy of this character tend to enhance the estimation in which the American Bankers' Association is held by the bankers of the United States? Would not a forceful declaration in behalf of the principles known to be favored by the bankers' Commission have entitled the Association to greater respect and confidence?

These are times when intelligent, courageous leadership on banking and currency questions is sorely needed. That the Currency Commission in the report presented at Denver seemed to veil its real convictions behind considerations of political expediency must have caused regret to all those who had trusted to the high character of the Commission as a guaranty that principles would never be subordinated to politics.

POLITICAL influence also sought to shape the course of the convention when the report of the Federal Legislative Committee came up for adoption by condemning the insurance of bank deposits and keeping silent with regard to postal savings banks. It will be remembered that deposit insurance was favored by the Democratic national platform while the Republican platform went in for postal savings banks.

The attempt to make the bankers dance to the music of the Republican

orchestra did not succeed in this instance, the convention voting against the postal savings bank scheme, as well as the deposit guaranty proposal.

Justification for the course of the American Bankers' Association in apparently leaning toward the Republican party may be found without much difficulty so long as the Democratic party continues to espouse measures which the bankers believe to be against their own interests and those of their depositors. Certainly the American Bankers' Association could not be criticised for the bold stand it took in 1896 against the free coinage of silver. And at the Denver convention the sentiment of the bankers present was unmistakably hostile to the proposed guaranty of bank deposits, this sentiment existing quite irrespective of the political views of the bankers. They believed that such a scheme was unsound and unwise, and they said so in no uncertain terms. They showed their independence, too, in voting against postal savings banks, and the result was much more satisfactory than if this proposal had been passed over in silence out of regard for the party favoring it.

When the convention of the American Bankers' Association meets in a Presidential year, and when banking or currency is an issue in the campaign, it becomes difficult to suppress heated discussions that tend to engender bitter feelings. Perhaps a knowledge of this fact may have influenced the Currency Commission in tempering its report, though appearances indicated that there was a desire to avoid treading on the corns of the Republican elephant.

JAPAN has given such a cordial reception to the American fleet as to remove any suspicion of unfriendliness that may have existed in this country. The genuine character of the welcome can not be doubted.

It is to be hoped that nothing will arise in the future to lessen the friendly relations now existing between the two nations.

That both Japan and the United States have important interests in the Pacific does not necessarily mean that these interests are incompatible. Indeed, but for the position taken by this country in China, Japan's interests as well as our own might have been injuriously affected by the delimitation of "spheres of influence" and the absorption of territory by some of the European nations.

That even the appearance of misunderstanding between the Yankees of the East and those of the West has been dissipated by the visit of the American fleet will be recognized as a good omen for lasting peace and friendship between Japan and the United States.

SOME aspects of the currency and banking problem were ably handled in an address before the last annual convention of the Wisconsin Bankers' Association by Dr. W. A. SCOTT, Director of the School of Commerce and Finance, University of Wisconsin, and chairman of the board of directors of the Commercial National Bank of Madison. The theme of Doctor SCOTT's address was, "The Problem of Banking Reform." In referring to the centralization of ownership and management in the fields of transportation, industry and finance, he said:

"The connection between these great federations and the problem before us is threefold: Firstly, the banks controlled by them hold the bulk of that portion of the banking reserves of the country which consist of balances with other institutions, and the bulk of the

surplus savings of the country seeking investment through the machinery of the New York money market; secondly, their primary interest is the financing of railroad, industrial and financial combinations, commercial banking being only a subordinate part of their business, a side issue; and thirdly, an elastic bank note issue put into their hands and under their control is likely, indeed almost sure, to be used in the interests of their financiering enterprises rather than for the purpose of supplying an elastic currency for the general commerce of the country. In other words, to permit the banks in the control of these men to meet their obligations to their correspondents with notes based on commercial assets is simply to increase their power to use the funds of the country needed for the supply of its commercial needs and put in their possession for that purpose only, for the promotion of the gigantic enterprise of the concentration of the management of the great industries of the country."

Doctor SCOTT suggested that the function of issuing notes and of keeping the country's banking reserves should be transferred from the existing banks to institutions specially created by the Government.

It is possible that grounds for criticism of this kind might be removed if there were at hand some means of readily supplying financial accommodation to industrial and transportation enterprises without encroaching upon the funds necessary for carrying on commercial banking. Manifestly, the financing of the railways and the great industrial corporations is just as essential to the continued prosperity of the country as is the providing of funds for marketing the crops.

Other countries have found that specially-organized banks are useful in carrying on certain kinds of operations. In Europe, Japan, Mexico and elsewhere there are agricultural banks, industrial banks, etc. Here we pass a law prohibiting national banks from lending money on real estate, knowing that the law will be evaded. Would it not be wiser to provide for the formation of mortgage banks clothed with ample powers for meeting the wants of those who have nothing except real estate to offer as a basis for loans?

And would it also not be wiser to establish a great railway and industrial bank that would command the confidence of investors at home and abroad, rather than to strain the resources of the commercial banks in order to provide the funds needed for railway and industrial purposes?

At several points our banking system demands careful examination with a view to its improvement. Those responsible for legislation, and the executive branch of the Government also, seem to have given no intelligent consideration to the subject. Nor will they do so until they are impelled by the action of the business community.

PREJUDICE against banks, though perhaps less virulent than it was a dozen years ago, is still sufficiently strong to prevent Congress from undertaking any thorough-going reform of the currency and banking system. Any legislation that would render it easier for the banks to serve the people would almost certainly be open to political attack on the ground of favoring the banks. No doubt most people believe that the authors of the Aldrich-Vreeland currency law did a wise thing in compelling the banks to pawn their securities in order to issue circulating notes. It would require some effort to explain, and a fair degree of intelligence to understand that a bank

could render much greater service to the community where it is located, with greater economy and equal safety, by issuing notes on its own credit.

The only hope of breaking down this prejudice which prevents wise currency and banking legislation lies in the education of the people. This fact was recognized in an address by ex-Governor HERRICK of Ohio before the recent bankers' convention at Denver. He said:

"Gentlemen, it has seemed to me, particularly since President WOODROW WILSON's address yesterday, which was so eloquent and understandable, that just ahead of us in the line of his suggestion was the greatest piece of work for this Association and the various state associations to do. It is not many years since the organization throughout the country of state bankers' associations, the object and purpose of which was to make bankers more thoroughly understand their business. Now, we desire as bankers, to be appreciated by the people of this country. We desire them to know our aims and purposes. * * * We must encourage the people all over the United States to understand our business."

In recent years a great deal of information has been disseminated about banking and the currency. But the most of it has gone into the hands of bankers, leaving the general public but little the wiser. The addresses delivered at the State and National conventions, while generally excellent, are rarely published in the local newspapers, except in the most fragmentary form. Probably if they were published in full the average person would skip them as hard reading.

These addresses, generally, are too technical to appeal to those who have no special knowledge of the subjects discussed. If the public interest is to be aroused, a more popular form of instruction will have to be devised.

No doubt the banker himself is, as a rule, the one best qualified to impart sound banking instruction, and especially to illustrate by practice the substantial identity between the interests of the banks and their depositors. In fact, where a man has a bank account he has already had a practical illustration of the usefulness of banks and does not stand in need of such instruction. It is among those who are not depositors that this special missionary work is required. Possibly, in many cases, it would not only break down prejudices but increase deposits at the same time.

The American Bankers' Association at this time could hardly do better work than to begin a popular campaign of education on banking and currency. Politicians and others may wish to fight shy of these problems, but the growth of the country's business will before long render reform imperative. And it must be remembered that this country is not governed by a bureaucracy but by public opinion. We shall have no great change in our banking and currency system until it is sanctioned by the electorate, perhaps not until such reform is demanded by the business men of the country. No satisfactory action can be looked for until the people are educated so that they will understand what changes are desirable.

CONSIDERABLE criticism has been called forth by the questions which the Comptroller of the Currency has submitted to national bank examiners to be propounded to directors of national banks. It is declared that to require directors to perform many of the duties implied by these questions would be utterly impracticable. Replying to certain criticisms made by some

New York city banks, Comptroller MURRAY said:

"Of course it is impracticable to draft a set of questions for each city and town in the United States, and it is equally impossible to so draw them that they would please all the directors. The purpose of the questions, however, was not to please anybody; they are to find out some facts as to whether or not the directors of national banks are doing their duty as they take an oath to do, and I am sure there will be no objection to any director stating frankly just what attention he gives to the bank.

"I stand ready to dismiss instantly any national bank examiner who is not doing his full duty. Now, in the interest of honest banking, let us find out if the directors are doing their duty; and then when a bank fails the responsibility can be definitely fixed; the public now blames the Government for lack of thorough examination, and sometimes rightly so; but when we get the returns of these questions we will have the record of each bank in the system and responsibility can and will be placed.

"The records of this office, as well as the minutes of the trials of some wreckers of national banks in various parts of the country, would seem to indicate that it would not have been a very bad thing in the interest of honest banking and for the good name and prestige of the national banking system if this work had been done sooner. I propose to do it now and to keep on doing it. When I see an officer of a national bank loaning himself, without the knowledge of the directors, all of the capital and surplus and some of the deposits, it would seem to be a good idea to ask the directors if they know about it. I am sorry, of course, that I cannot frame a separate set of questions for New York city, but after full consideration of the ones already prepared, they seem to meet the general situation fairly well."

This would seem to indicate that the Comptroller of the Currency has made up his mind to see that national bank directors are held to a stricter accountability in the management of the banks.

When a bank fails, the Comptroller's office is often blamed for not finding out the fact of insolvency sooner and shutting up the bank before the loss had run up to large figures. Perhaps the Comptroller may feel that the directors of a bank know, or ought to know, the affairs of their banks much better than the bank examiners can—a not unreasonable conclusion—and that the directors ought to be held responsible where a neglect of the duties required by law has resulted in loss to depositors and stockholders.

IT has been said after every panic that the unsound methods which were disclosed would never be resorted to again. In a sense this has been true, but the amazing revelations in recent court proceedings indicate that wild-cat banking only changes its form from time to time, without having yet been exterminated in this country. Prevention is always better than cure, and it would seem to be high time that bankers generally through clearing-house committees or otherwise, took measures to prevent the unsound banking from gaining a foothold and continuing operations unchecked until ruin and disaster result.

The office of the Comptroller of the Currency seems to be subject to a certain amount of criticism for failure to act promptly in case of flagrant violation of law. The trouble has been in several cases that the Comptroller has hesitated to assume the responsibility

of closing a large institution and bringing to disaster the important interests of depositors, borrowers and stockholders. He has, no doubt, acted in most cases according to his best judgment, but the judgment of a public officer often differs from that of a banker.

The bankers of Chicago have taken a step which might very well be studied, if not imitated, by their associates in New York and elsewhere. They felt compelled to take over the assets and assume the liabilities of the National Bank of Illinois which failed in 1896, and of the Walsh banks, which went down last year. The moral assurance thus held out to the patrons of Chicago banks that the clearing-house banks would stand together naturally imposed upon the bankers the conclusion that they could not afford to give such a moral guarantee without means of protecting themselves. Hence has arisen the system of the appointment of a special examiner by the clearing-house, responsible to them and having no relation whatever to the office of Comptroller of the Currency. This examiner has the same authority as the Federal examiner, to visit banks without warning, and is required to report the slightest irregularity to the clearing-house committee. He has authority to investigate state banks as well as national banks. He derives this authority from the fact that any bank which does not care to be examined can be deprived at once of clearing-house privileges, even that of clearing through a member bank. This system has also been adopted by the clearing-houses of several other cities. It follows in some respects the Canadian system of an inspector for each large bank, who is independent of the president and other officials and represents only the directors. There is no reason to doubt that most of the "high finance" in banking would be nipped in the bud, instead of attaining full flower, if such an examiner were acting under the authority of the New York Clearing-House Committee.

There is another important step which has been sometimes discussed, which might be taken by the national bankers, if they are ready for it. This is the adoption of the system of registration of commercial paper. Under such a system each bank would report to some central agency the amount of commercial paper discounted or bought from each important client. Any bank receiving application for a loan or discount would obtain from the central agency a statement of the amount of paper already discounted by such a borrower and its maturities. Such a plan would, of course, require the cooperation of the principal banks of the country. There is no doubt, however, that if the Clearing-House Committees of New York and Chicago should set the pace, the banks of other cities would fall into line.

The chief objection naturally made to such a system is the possible disclosure of information to rival banking institutions. This would not occur, however, if the central bureau were organized upon the right basis. It might be better that it should be an independent corporation than a creature of the banks. The unwillingness of large borrowers to have their borrowings thus assembled and exchanged would, no doubt, cause opposition to the adoption of the plan, but once adopted by the banks, these houses would be powerless to prevent the exchange of the information, and those which objected most strenuously would naturally invite the closest scrutiny. It is possible that obstacles and defects would develop in carrying out the details of such a plan, but it at least seems worthy of serious discussion by the banking community. It would have the great merit

of completing the circle of credit information which is now obtained through commercial agencies by crystallizing the information which the banks possess as to the volume of banking credit.

MR. TAFT'S election to the Presidency undoubtedly makes for a revival of business prosperity. Had Mr. BRYAN'S campaign succeeded, a period of apprehension and uncertainty would have followed the election. The great railway and industrial corporations, already suffering from a depression, would have been subjected to the possibilities of drastic action upon the part of the Executive and Congress.

Mr. TAFT has, indeed, declared that he will continue the policies of President ROOSEVELT. Yet no one who knows the bent of the President-elect's mind can ever suppose that he will copy Mr. ROOSEVELT'S methods. He will wear his rue with a difference.

Surveying the campaign one may see that no clearly-marked issues arose between the two parties. It was purely a contest between men. By experience and temperament Mr. TAFT was better fitted for the Presidency than his opponent, and chiefly upon that ground he won his notable victory.

The country has had a prolonged period of agitation. It will be immensely benefited just now by a season of rest and recuperation. Under the wise and able guidance of Mr. TAFT it may be confidently predicted that the affairs of the Government will be so administered as to promote prosperity and to insure the country's advancement along safe and solid lines of progress.

A PERMANENT MONETARY AND BANKING COMMISSION.

THAT the laws of the United States relating to money and banking are in need of careful revision must now be apparent to any one who has given serious thought to the subject. The panic of last year brought to light many defects, and to fail in profiting by this experience, and others of a similar character, would show a lack of wisdom.

Our banking institutions have increased so enormously in size and number that it is practically impossible for Congress to legislate intelligently with respect to them. Members of Congress find it impossible, with all their other duties, to acquire that expert knowledge of the subjects involved on which alone intelligent legislation can be based. Although the banks have expanded amazingly in the last ten or twenty years, there have been no changes of much consequence in the National Bank Act, except in the reduction of the minimum of capital from $50,000 to $25,000—a change which, whatever advantage it may have possessed, hardly conduced to greater safety. The bank note as a convenient business instrument has been entirely neglected. The system of bank examinations has become notoriously inefficient, and though the successive Comptrollers of the Currency have recommended improvements in the method of appointing and compensating examiners, Congress has refused to act on these recommendations.

Our monetary system is unnecessarily complex. The legal tenders and

silver dollars might be entirely eliminated, and with considerable advantage.

Of still greater importance is the growing competition among the several classes of banks. In Texas and Ohio, for example, state banks may exercise the functions of a commercial bank, a savings bank, and a trust company. How will the national banks, limited as they are in their operations, fare in competition with institutions possessing these broad functions?

We have but indicated, in a general way, a few of the serious and difficult problems relating to our financial institutions that must be dealt with by Congress in the near future. Should they be neglected or dealt with in the absence of full and accurate information, the result will be harmful not to the banks only but to the business interests of the country as a whole.

The banks of the United States have become such important factors in our business prosperity that they ought to be allowed to conduct their operations with the greatest freedom consistent with safety. Unwise restrictions have to be paid for in the long run by a curtailment of the services which the banks are able to render to the business community. The banking laws should be adapted to the rapidly-changing requirements of our vast territory with its ever-increasing commerce and industry.

It is believed that the best way to keep our banking and monetary systems up to the highest standard would be by the appointment of a permanent Monetary and Banking Commission, composed of experts and practical men, who would investigate and report upon all matters that might properly come within the scope of such a commission. This would give the country the advantage of accurate information and expert suggestion, and if the Commission were made up of men of recognized authority, its recommendations to Congress would in time be considered as almost having the force of a mandate which could hardly be disregarded. Just as a city suffering from an epidemic would feel it obligatory to adopt the recommendation of a board of sanitary experts.

Members of Congress frankly confess that they do not have time to study currency and banking questions. But these subjects have such vital relation to our prosperity that their study can not safely be neglected. If Congress has not the time, the disposition, nor the ability to deal with these matters wisely, the duty of deliberating upon them should be relegated to a body of qualified experts. Until our banking and currency legislation is shaped in accordance with the recommendations of an expert commission, whose existence shall be continuous, we can hardly hope to see the present antiquated laws supplanted by others adequate to present-day needs.

INDUSTRIAL BANK IN RUSSIA.

ACCORDING to Consul-General Hunter Sharp, of Moscow, it is reported that the Council of the United Representatives of Trade and Industry have brought forward a suggestion that, with the participation of large Russian industrial undertakings and banks and under the management of the Ministry of Finance, a commission should be appointed to carry into effect a scheme for the establishment of an industrial bank for granting adequate credits. Mr. Sharp continues:

It is mentioned that the object aimed at is the resuscitation of the previous favorable period of prosperity, which was only to be attributed to the influx of foreign capital into the country.

It is considered that the economic situation of the country can only be again improved when success attends the bringing into existence of an industrial bank whose granting of credit would give the guaranty that Russian industrial undertakings do not lack native monetary assistance.

THE EXCHANGE STANDARD IN BRITISH INDIA.

How it has Been Maintained in the Face of a Large Adverse Balance of Trade.—Some Interesting Phases of the Situation.

By Charles A. Conant.

THE history of the monetary system of British India is interesting chiefly because of the great experiment conducted there since 1893 in maintaining a silver currency at par with gold without a gold circulation. The decline in the gold value of silver, which began to attain momentum in 1866, was keenly felt in India because of her large trade relations with Great Britain; the fact that the receipts of the Indian Government showed a steady shrinkage in gold value, and the increasing burden of the charges on the debt, which were payable principally in gold. As early as 1876 commercial bodies in Bengal and Calcutta urged upon the government the temporary suspension of silver coinage, but received the reply that up to that time there was "no sufficient ground for interfering with the standard of value" and that if public revenue became impaired, the difficulty would be remedied by increasing taxes or reducing expenditures.[1] But exchange relations with Europe went steadily from bad to worse, until at length in 1893 a commission headed by Lord Herschall recommended a radical change.

The effort was made, as the result of an exhaustive report by the commission, to give a fixed gold value to the rupee of one shilling, four pence, representing about 32 cents in United States currency, as compared with a nominal value of about 48 cents when the ratio between silver and gold was 15 to 1. Reliance was placed in the first instance upon the closing of the mints to free coinage and the offering of Council bills in London, drawn upon the Indian Treasury, at about the legal exchange, subject to the usual charges between gold countries.

The Currency Act of January 26, 1893, provided for the closing of the Indian mints to the coinage of both gold and silver on private account, the government retaining the power to coin silver rupees on its own account. Arrangements were made at the same time for the receipt of gold at the Indian mints in exchange for rupees, at 16d. per rupee; for the issue of currency notes in India for gold coin or bullion at the same rate, and for the acceptance of British sovereigns and half sovereigns for government dues at the rate of 15 rupees to the sovereign. It was anticipated that the closing of the mints would in itself give to the Indian government control of the exchange, by limiting the means of obtaining currency in India to the purchase of Council bills offered by the Secretary of State for India in London; but this proved a fallacy.[2] While the reduction of the stock of currency in relation to the growing demand of business conditions in India could not fail ultimately to raise its value, it was a process which would require time for its fulfilment.

Council drafts were indeed offered in London at 16 pence, but they found no buyers and ultimately the government was compelled to sell them for what they would fetch. The rate in

1 Algiave, in Questions Monetaires Contemporaines, 605.

2 Cf. Probyn. It was not till seven months after the mints were closed that the government abandoned the attempt to maintain exchange at 16 pence, and an eminent economist went so far as to make the naive inquiry whether they would not "move the rate of exchange to the position it held till 1872, in which year the average rate obtained for Indian council bills was 1 shilling 11.125 pence."—Indian Coinage and Currency, 67.

1893 averaged only 15 pence and fell in 1894 to 14½ pence and in 1895 to 13 pence. In the meantime the entire cessation of coinage created severe stringency in Indian money markets, where the minimum rate at the Bank of Bengal was ten per cent. in January, 1898, and rose on February 24 to twelve per cent. There was some relaxation in these rates after June 16, 1898, and the rate for the busy season of 1898-99 did not exceed seven per cent.[3] It became evident, however, to the government, that reliance could not be placed entirely upon starving the circulation in order to bring the rupee coinage up to the legal parity. Accordingly a new commission was appointed in October, 1898, which made a careful report on July 7, 1899, in favor of taking additional steps to ensure the equal value of the rupee coinage with gold. The chief measure which they recommended was that the English sovereign should be made a legal tender and a current coin in India and that gold should be freely coined at the Indian mints on private account.[4] The first part of this programme was adopted by the government.

But events now began to accomplish what legislation alone had proved insufficient to achieve. The rate for Council bills in London, which had improved only slightly in 1896, was 14½ pence in 1897, and 15 1-3 pence in 1898. While the special commission was sitting, the rate moved up to parity at 16 pence and gold began to be deposited for rupees and currency notes. By March 31, 1899, the gold which had accumulated in the reserve was £2,035,448, and in another year amounted to £9,291,019 ($45,300,000) including £1,500,000 deposited in London. From that time the success of the project of maintaining a fixed exchange with gold countries was assured, and as the demands for rupee currency grew in India the gold standard reserve, which had been separated from the currency reserve, rose in March, 1906, to £12,262,700, and in March, 1908, to £18,355,300. This amount is exclusive of the currency reserve, held against outstanding paper notes, which contained in 1906 £11,575,400 in gold coin and bullion.[5]

The gold standard was thus established as firmly in India as in England or France, and subsequent events showed that the new system was capable of enduring the shock of a crisis with as little disturbance as the monetary and banking systems of Europe. When currency is needed gold flows into the gold standard reserve and is employed in buying silver for coinage; when currency is not needed, exchange on London is bought with rupees and the rupees are thus withdrawn from circulation.[6] A new chapter in monetary science was thus written by the history of India. With a circulation of silver estimated at 1,800,000,000 rupees ($603,000,000), grave apprehensions were felt in many quarters of the possibility of maintaining such a volume of currency at par without a large loan; but the test of experience showed that those who believe in the efficiency of an exchange fund and in the limitation of the coinage to the amount paid for in gold, rested upon an unassailable principle of economic science.[7] The Philippines, Mexico and Panama were prompt to follow in the path thus marked out by India.[8]

3 Report of the Indian Currency Committee of 1898, Commission on International Exchange, 1903, 305.

4 Commission on International Exchange, 1903, 317.

5 The Gazette of India, March 21, 1908, 754.

6 Robertson declared as long ago as 1903 that "There is no more interference with the automatic character of the currency in India than there is in England."—Commission on International Exchange, 1903, 372.

7 Great stress was laid by Sir James Westland, in criticising the plan for an exchange fund in London carefully worked out by Mr. A. M. Lindsay, upon his belief that the plan "would involve the undertaking of an indefinite liability."—Commission on International Exchange, 1903, 352.

8 M. Arnaune disputes the parallelism sometimes drawn between the silver dollars of the United States and the five-franc pieces of France with the Indian rupee, upon

It was natural that an experiment so vast and comparatively novel should be conducted with deliberation by the Indian government. One of the most serious difficulties of the plan up to 1899 was the undue limitation in the issue of the silver rupee, the current money of the country. From 1893 to March 15, 1900, not an ounce of silver was purchased for coinage nor an additional rupee added to the circulation, except those which came out of hoards under the stimulus of a higher value in circulation than as bullion.[9] It was gradually realized that this policy was crippling the trade of the country. Hence Act No. VIII. of 1900 gave the Secretary of State for India power to purchase silver with the gold deposited at the mints and to transmit the silver to India for coinage. Act No. IX. of 1902 authorized the issue of notes in India against silver bullion held in England as a reserve against the notes. The acute demand for circulation was shown by the purchase between March 15, 1900, and April 4, 1901, of 50.-297,224 ounces of silver at a total cost of £6,055,175, at an average price of 28¾ pence per ounce. Purchases of silver, which were at first made irregularly, began to be made with considerable regularity in 1904. During the financial year ending March 31, 1906, the amount of silver purchased was £8,574,000, and the net increase in the rupee coinage from 1899 to 1908 was about 900,000,000 rupees ($293,000,-000).

The reappearance of British India in the market for silver bullion, after having been entirely withdrawn from 1893 to 1899, had an influence upon the price of silver. The downward course of the metal, which prevailed almost without check from 1866 downwards, was not reversed by the purchases of the Indian government in 1900; but in 1903 it was agreed with the American and Mexican commissions on International Exchange, that greater regularity in purchases of the metal was "desirable and might be adopted as far as possible in each country, subject to its monetary policy and convenience."[10] If there was any hesitation in adopting this policy, it was removed by the heavy demands which brought the Indian government into the silver market in the next few years, and taxed the capacity of the mints. It was found advisable in 1905 to make an estimate of probable requirements at the beginning of each quarter "and to spread both purchase and coining as far as possible over the whole twelve months."[11] Already it has been found necessary in the previous year to accumulate silver bullion in an ingot reserve, in order to have it immediately available for coinage. This stock of ingots became so important an element in the paper currency reserve that a new step was taken in 1906, in transferring the ingot reserve to the gold reserve fund and changing the name of the latter to Gold Standard Reserve.

The change of name in the reserve

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the ground that the American and French coins are part of a circulation whose basis is actual gold, while in India the rupees are not merely secondary coins, but constitute in themselves the principal money of India. —La Monnaie, le Credit, et la Change, 162.

9 Evidence that some coins were drawn from hoards is afforded by the fact that coins of old coinages constituted in 1895 a considerably larger proportion of the amounts received at government treasuries than in former years. The percentage of the coins of William IV. increased from 1.47 per cent. of the total in 1894 to 1.54 in 1895; coins of 1840, first issue, from 4.0 to 4.4; second issue, from 10.99 to 11.23; and other issues up to 1882, with few exceptions, showed an increase.—Report from the Head Commissioner of Paper Currency, 1895, 39-42.

10 Commission on International Exchange, 1903, 141. Subsequently Sir James Mackay, Chairman of the British Commission which adopted this resolution, in transmitting figures of further purchases to Mr. Hanna, Chairman of the American Commission, said, "I think you will observe from the prices which the Secretary of State for India paid for the silver which he bought that regularity has, as far as possible, been observed, so as to prevent exchange fluctuations."—Commission on International Exchange, 1904, 497.

11 Indian Financial Statement for 1906-07, 17.

fund was significant of the fact that the new system was so firmly established that the Indian government considered it no longer necessary to keep the fund entirely in physical gold. The menace to the fund came no longer from the demand for gold, but from the demand for silver rupees. Hence the conclusions thus expressed in the spring of 1907.[12] "The primary object of the fund, now as formerly, is the effective maintenance of the gold standard, and its protection against whatever dangers may assail it. For this purpose it must always contain a large stock of gold or gold securities in a readily convertible form, on which we could draw in the event of the balance of trade turning against India and the Secretary of State being temporarily unable to find a market for his Council bills without forcing down exchange. Hitherto, however, this danger has not actually presented itself, whereas, on the other hand, we have more than once been confronted with a temporary deficiency in our stock of rupees and with a difficulty in procuring new ones with sufficient promptitude. It is equally legitimate to employ the reserve, by whatever name it be called, to provide against this danger also."

As gold was always available in considerable amounts in the paper currency reserve, it has been deemed prudent to put nearly the whole of the gold standard reserve into securities, which in March, 1908, made up £14,019,700 of a total reserve of £18,355,300 ($89,500,000), the remainder consisting chiefly of rupees. The profit on new coinage credited during the previous year was £1,127,000 and from interest on investments £386,800.[13]

It remained to put to the test the capacity of the exchange standard to meet the conditions of a crisis. The opportunity for such a test came in 1907. The low price of jute had already affected the sale of Council bills in London before the crash came in New York in October. In September came an additional menace in the failure of a part of the wheat crop, which promised to reduce wheat exports to insignificance and prevent the usual creation of credits in favor of India. When America early in November "fell upon the world's supply of gold with all the insistence of panic," and the discount rate at the Bank of England was put up to seven per cent., the sale of Council bills became for the moment impossible, and it was necessary to look about for other means of meeting demands upon the Indian government in London. Exchange fell as low as 15 11-16 pence, or a discount of nearly two per cent.[14]

It was not the local needs of India which led at this time to pressure upon the exchange funds, but the discovery in London that India had a gold stock which might be laid under contribution for the needs of the harassed western world. Inquiries were made whether sovereigns would be paid for rupees in India at the legal parity, with the avowed object of shipping the gold. After deliberation, the government declined to furnish gold at par in larger amounts than £10,000 to any individual on any one day. On November 25, 1907, however, the government released £1,000,000 of its gold held in London, and in December £1,500,000 more. It was also decided, after exchange recovered, that if it again fell below the gold export point, telegraphic transfers on London should be offered at a fixed rate.[15] No occasion arose at the time for putting this decision in practice. The release of gold in London was accompanied by a quick rise in rates for bills, which on November 30 stood at 15 29-32 pence.

The general crisis was only a few months past when, in April, 1908, a crisis largely local to India developed from the failure of the crops and the

12 Indian Financial Statement for 1907-08, 25.

13 Supplement to the Gazette of India, March 21, 1908, 754.

14 Supplement to the Gazette of India, March 21, 1908, 709.

15 Ibidem. 710.

excess of obligations abroad incurred by Indian merchants by their purchases in Europe. Again sterling drafts on London were offered freely by the Indian government, and by early June had been taken to the amount of £3,727,000 ($18,170,000). To meet this demand, which piled up 90,000,000 rupees ($29,100,000) in the gold standard reserve in India, £2,000,000 was withdrawn in gold at London and securities were parted with to the amount of about £2,000,000.[16] The holdings of securities, temporarily reduced to about £12,000,000 were soon replenished and exchange resumed its normal course. To further strengthen the resources of the Indian government, an offer of one-year bills was made to the public in order to obtain capital for railway construction. This was in pursuance of a policy announced by the Secretary of State for India on July 9, 1907, that until the gold reserve reached £20,000,000, half of the profits on coinage and the interest on securities would be added to the funds available for railways.[17] This decision was criticised at the time as tending to impair the gold reserve, but for practical purposes the amount available for railways was made available also, by this device of the government, for offsetting the outflow of capital from India and protecting the gold reserve fund.

ILLEGAL SPANISH COINS.

William Miller Collier, American minister at Madrid, transmits the following report on the proposal of the Spanish Government to rid its currency of illegal coin:

For many years there have been circulating in Spain, alongside of the legal "duros" (5 peseta pieces), many illegally issued silver duros, known as "duros Sevillanos," because supposed to be manufactured in Seville. These coins are of a weight and fineness equal to that of genuine coins, and the profit to the manufacturer in issuing them consists in the seigniorage, the difference between the face value of the coin and the bullion value of the silver therein contained, which is much less than 5 pesetas.

These illegal duros are very difficult to distinguish from the genuine, for although they have less finish and sharpness of outline than the new genuine coins, they bear a great resemblance to those old genuine coins which have been somewhat worn by use. As a result there has practically been no distinction between the genuine and the Sevillano coinage, though the bank or postal officials have sometimes rejected an alleged Sevillano. The quantity of these illegal coins in circulation has been so great that no ministry has hitherto attempted to get rid of them. In the Oficial Gaceta of July 16, however, appeared an order of the minister of hacienda providing that:

1. All coins of illegal coinage presented at the Bank of Spain or at public offices shall be retained and canceled with a special stamp.
2. The offices receiving such coins shall give to the holder, if he holds them in good faith, a receipt for the same, upon which receipt he can obtain payment for the value of pure silver therein as fixed by the London market less the cost of melting down said coins into silver bars.
3. The treasury shall sell the silver bars thus obtained, and thus reimburse to itself the amounts paid to said holders.
4. The mint shall determine and publish the main points of difference between the legal and illegal coins, in order that the public may have due notice thereof.

GUARANTY OF DEPOSITS.

There may be many sound objections to be urged against the guaranty of bank deposits, but the following taken from an address at the recent bankers' convention at Denver does not appear to be one of them:

> If this guaranty of bank deposits became general, why do we want $3,500,000,000 as capital, surplus and undivided profits? Under the proposed theory, a bank with a capital of $50,000 would be as good as one with $1,000,000 capital, $2,000,000 surplus and $500,000 undivided profits. Why have any surplus to weather the storm? We all guarantee one another. Why pay small dividends to our stockholders and build up large surplus and undivided profits?

A good reason for building up surplus and profits, even if deposits were insured, would be this: should a bank fail, and its assets be insufficient to pay depositors, stockholders would have to make up the deficit, being liable to an assessment equal to the par value of shares held by them. Manifestly, the surplus tends to protect the shareholders from such an assessment, and the owners of a bank would have the same incentive—self-protection—to build up a surplus fund under deposit insurance as they have now.

16 London Statist, June 6, 1908, LXI. 1105.

17 London Economist, June 6, 1908, LXVI. 1188.

THE STOCK EXCHANGE AND THE PUBLIC.

By Edward L. Andrews.

THE function which the Stock Exchange performs in our economic development has recently become a subject of special interest. It is indeed a curious feature of the body politic. Here is a mere club, a private association of self-selected individuals; yet it wields a greater power over the business of the country than many legally established institutions. And this influence is not subject to any control, except as public opinion may furnish a medium of control. As far as such opinion is wielded at all, it usually results in a misdirected estimate of the Exchange. The notion widely prevails that it does not subserve any useful purpose. Its rapid and informal modes of transacting business have contributed to this sinister impression. The mercantile methods of deliberate purchase and sale reflect invidiously upon the modes of Exchange trading, and tend to place them in the light of an abnormal or ephemeral counterpart of real business.

These sentiments have become an element of our political life and it is therefore a matter of general interest that this adverse feeling should be reckoned with and clarified. It arises from the fact that the mass of the public observes the Exchange from its speculative side. Regarded in this way, its utility seems inscrutable to the uninitiated. Its institutional value—as the guardian of investments—is more easily comprehended. In the exercise of this faculty, it is not a mere registry of prices, but is potent for the weal or woe of thousands—particularly of the hundreds of thousands of poor whose funds in savings banks and insurance companies are invested in listed bonds. From this point of view, the scrutiny of the critical public may be reasonably expected. As we have a pure food law, so may we have Pure Securities regulation. The public and the Exchange have a joint interest in any manifestation which may lead to results in this direction. It may therefore be opportune to consider the relations of these factors in the world of business.

Functions of the Exchange in Fixing a Standard of Prices.

As the standardizer of prices the Stock Exchange renders a fundamental service to the commerce of the country by its system of quotations elicited under disciplinary protection. The value of this service can be best estimated by contrasting it with the conditions of business which prevail in the absence of such a standard of prices. Consider the status of issues that are not admitted to quotation on the Stock Exchange—that are not dealt in under its rules, but elsewhere and without rules. It is familiar knowledge that a buyer or seller is at the mercy of vendors and vendees—sometimes masquerading as brokers—in such an uncontrolled market. The losses which a purchaser or holder of bonds or stocks must suffer under such circumstances constitute a wrong to the investor, and an unnecessary injury to the enterprise represented by the security. On the other hand, the Exchange throws around all its transactions the guardianship of the fiduciary relation, as between customer and broker. Under these circumstances it attains the best results for the principals to the transaction—through the competition of the respective brokers to hew nearest to the line of antecedent quotations. This method of business involves a fine adjustment of moral mechanism. In confirmation of this view the various natural and manufactured products of the country are from time to time included in this Exchange system of trafficking and price adjust-

ment. The reflex of this quasi-official market upon the processes of banking is an important advantage to the community. To obtain advances upon securities would be a dilatory transaction if the prices of the collateral were not readily ascertainable. In the celerity of modern affairs this important resource—the prompt conversion of securities into liquid capital—is rendered feasible by "the reading of the tape."

But there are much broader relations of the Stock Exchange to the public. While it presides over the process of investing, it dominates the existence and nature of the investments which the public may be permitted to make. This is a necessary sequence of its control of the agencies for acquiring or disposing of securities. When such agents meet for facilitating their transactions and gradually crystallize themselves into a formal association, the next logical step in their organization is to declare what financial commodities they will deal in. This action subserves the double purpose of protecting the brokers and inspiring confidence in the public of investors. Hence, by the provisions of its own statutes, dealings are confined to those issues of obligations or shares which its committees formally admit to quotation—place upon its official list. As the result of the concentration of these affairs on the Exchange, few important investments or liquidation of investments in public securities, whether of trust or proprietary funds, can be effected without its sanction. As business is conducted, this is tantamount to a declaration to every possessor of funds in this country: you may buy such bonds and stocks and only those that we have viséd. While this is merely a moral power, it will appear to be as substantial as any material influence that may be exercised, and to involve commensurate responsibility. Such are the main functions of the New York Stock Exchange. It is not alone an association of individual brokers, sustaining personal relations with their customers. In its capacity of provider of financial pabulum, for consumption by the saving investors of the country, it exercises a far-reaching potency, one of the most important in the body politic.

Practical Monopoly Exercised.

It must therefore be pertinent to scrutinize the characteristics of an association which constitutes such a forceful element of the social fabric. Primarily the Stock Exchange has developed into an actual and practical monopoly. This is due to the long duration of its traditions, the reliability of its dealings, and the financial responsibility of its membership. This monopoly extends to every branch of the Exchange's activities, giving it a peculiarly comprehensive control of the business of bond and stock investment. It is directly inclusive of small as well as large transactions. The legitimate buyer of a single bond, or of ten shares of stock, is as likely to seek the services of a Stock Exchange house as the buyer of a thousand shares. The position which the Exchange occupies toward security transactions might be paralleled by the American Sugar Refining Company, if it sold a pound of "crushed" from its own stores, or by the United States Steel Company, if it sold a box of nails. This extension of the Stock Exchange around the entire circumference of the business results from the fact that each stock-broking firm partakes of a twofold aspect—it constitutes a fiduciary agency for its customers, and in its performance of that agency it exercises the peculiar franchises acquired through its Exchange membership. It is not a legalized monopoly in the sense that pertains to the bar and the faculty, but its possession of this field of business is so effective that opposition associations do not substantially interfere with control by the New York Stock Exchange. It has therefore that potentiality of monopoly which brings it within the modern scope of definition.

In the exercise of its powers to furnish a passport to its list, or to with-

hold that passport, it wields a sovereign dominance over the financial affairs of the country. In this particular it is literally an *imperium in imperio* of the business world. When an institution plays such an important part in the daily affairs of men, its legal status has naturally become the subject of judicial scrutiny. It is familiar knowledge that in its origin and subsequent career the Exchange was deemed to be a mere private association of individuals. It has heretofore preserved its immunity from governmental interference by abstaining from incorporation. Relying upon the principle of the freedom of assembly, it has basked in the sunshine as a club of gentlemen who choose to meet at certain hours of the day for their own pleasurable affairs.

The Present Status of the Exchange Before the Courts.

But this situation has been changed by recent juristic developments. Abstention from incorporation no longer protects an actual or practical monopoly from regulation by the law-making powers. The very success which has attended the labors of its members has affected the status of the Stock Exchange. It is now settled that when any body of men create or develop, by their own unaided efforts, any business enterprise, that enterprise becomes subject to legislative control; provided its activities extend practically over the related field of endeavor. Law has taken sociology as its handmaid, and has declared that when the affairs of individuals assume such colossal proportions, they cease to be private, and become in a measure dedicated to the public, "subject to a public use," to public regulation. This is the principle announced by the United States Supreme Court in reference to unincorporated business. In the elevator decisions the court considered the status of private firms, and declared that in view of their exercise of an actual monopoly of the transfer of grain at certain points, the legislatures could determine their charges. By virtue of its practical monopoly over dealings in public securities the Stock Exchange is thus apparently affected with public uses. The Supreme Court has indeed already inserted the entering wedge of this principle into the doors of the Stock Exchange, by its decision concerning the Federal tax upon stock transactions—resting its opinion upon the ground that the tax was imposed for the use of the facilities of the Exchanges, institutions which have become the subject of Governmental cognizance.

The Stock Exchange as a constituted body has thus been brought within the domain of the fullest legislative action. It is therefore desirable to consider the possibilities of that action. It is also discreet to avail of the most effective moral resources possessed by the Exchange for avoiding undue interference with its affairs. To follow the analogy of the elevator cases, the charges for brokerage would present themselves as the most familiar subject of regulation. But the anomaly in applying this principle to personal service, as well as the absence of any just ground for reducing brokers' commissions, would probably repel such suggestion. It is upon the substantially public side of the Exchange's activities—the system of listing securities—that legislative action would be more defensible. Legislative prescription of the list of Bonds and Stocks in which this quasi-public association may deal seems a logical deduction from the judicial doctrine which affects monopolistic private property and individual action with public uses. Acting under this new dispensation, and in the interest of the public dealing with the Exchange members, the legislature has the power to provide through a commission for the regulation—permission or rejection—of Exchange dealings in securities issued by incorporated bodies. It virtually, though indirectly, grants such permission at the present time in reference to securities approved by the Public Service Commission. In theory, for the protection of the community,

it may require such endorsement to validate similar dealings by this New York institution in securities issued under the laws of other communities. Under the Gargantuan theory of public powers over individual affairs, the Exchange may be thus shorn of its greatest power, which upon the whole it has wisely administered—the power to give or refuse quotation to such issues. We are all aware that there is a wide territory between the theory and the exercise of a power. But considering the pace at which the regulation passion is now proceeding, this largest field of subject matter may not be far from the Rubicon. The shippers and the merchants have had their day of paternalism: it is now the turn of the investor. There is a feeling that the general public is not able to protect itself from impure flotation of public issues, particularly if they receive the imprimatur of a recognized taxable association having characteristics of a trust. The Governor of New York reflected this opinion by his recent proposition for the appointment of a commission to investigate the Exchanges. Other countries deem it important that disinterested government officials shall ascertain the bonds and stocks proper for public consumption. From the publicist's point of view, it may be regarded as anomalous that any body of men, acting in private association like the Exchange, should exert an untrammeled power over the general welfare —as the moderator over the disposition of the industrial accumulations of the nation. Such conditions exist because they have grown with the growth of the country, not because they are theoretically desirable. They form part of the same concentrated and uncontrolled status which exists in relation to many branches of production—against which political parties are competing in animadversion.

The Stock Exchange Should Itself Adjust Its Relations to the Public.

Is it not therefore the part of wisdom "to take stock" of the relations of the Exchange to the public, considering them both as collective bodies? No institution established by man is perfect, and the men who conduct the established institutions are not generally the first to perceive the imperfection. Let not the Stock Exchange adopt the Bourbon policy which was formerly pursued by the railroads, and which is now acknowledged by their wisest officials to have been a mistake. The way to repel legislative interference is for associations of men who are dependent upon the public "to put their houses in order." To the extent to which the Stock Exchange asserts its own ethical position, it will negative political intermeddling with its associative affairs.

The importance of modernism in the affairs of the Exchange is indicated by the great part it plays in the material affairs of the nation. One-third of the wealth of the country, represented by thirty-five thousand millions of dollars of bonds and certificates of stock, is the subject of this business potency. As local securities become merged in large combinations, the volume of personalty attracted to the New York Stock Exchange becomes proportionately enhanced. The ratio of the past increase in our applied resources—fifty per cent. in the five years preceding 1905—enables us to estimate the amount of titles which will seek admission to the Stock Exchange list in the course of the next few years of revived prosperity.

To paraphrase a familiar quotation: "A bold man was he who stole the fire from Heaven and hid it in a hollow reed, but not less bold is he who would propose any changes in the rules of the New York Stock Exchange." In the administration of the relations of its members to their customers, the committees of the Exchange have evinced a praiseworthy punctiliousness. But in respect to their breadth of policy in reference to the posture of the Exchange toward the public—as affected by the listing of securities—there may be differences of opinion.

In some instances, however, the Ex-

change has set a precedent for its own adaptation to changed conditions. When the stock of the Erie Railway Company was found, some years ago, to have been secretly increased by the officials of that corporation, the Exchange provided against occurrences of a similar kind, by requiring thirty days' notice to be given before any increase of stock should take effect—as far as concerned "dealings on the floor" in the additional certificates. It is needless to add that a quietus was thus placed upon all such ventures in the future; though the stock which had been surreptitiously issued was not disturbed, as it had passed into circulation. It is a necessity of the case---for the protection of *bona fide* purchasers—that the rules of the Exchange should apply to future issues alone. But this very necessity is the strongest argument in favor of timely revision—in favor of closing the stable door before the steed escapes with the proceeds of his load of discharged bonds and stocks. We may now wonder that a period existed when secret issues of bonds and stocks could be made by corporations—when such issues could be sold and made good deliveries on the Exchange. So in the future we may regret that other precautions in favor of the public were not sooner adopted.

Greater Publicity Favored.

With these reservations even a layman may indicate tentatively some patent requirements whose fulfilment would tend to the restoration of public confidence in listed securities. The general principle which should pervade the entire scope of action is the doctrine of publicity. The time has passed when any step can be taken in reference to the creation or floating of public securities without the fullest disclosure. The application of that principle is peculiarly important in reference to the most delicate function of the Stock Exchange, the process of Listing—naming and recognizing the securities that may be dealt in by its members and indirectly by the public. The development of the country as well as that of the Exchange requires the continual addition of new issues of bonds and stocks to the official list. The applicants for such admission are more immediately the bankers who are engaged in selling securities that they have underwritten, or that they have agreed to sell on commission. On the other hand, "outside the breastworks," is the great and uninstructed body of prospective buyers of these new and untried propositions. Between these vendors and vendees the Stock Exchange stands as the impartial umpire. At this juncture, what is the exact relation of the Exchange to this imminent transaction of listing—of giving rank and currency to the proposed issues? Of course, no legal relation is involved in this process—the Exchange does not in a technical sense guarantee the securities, nor for that matter do the banking houses that finance the issues. But such considerations increase the moral responsibility of the Exchange to a maximum point—by reason of its undertaking to furnish passports to these newcomers in the territory of investment.

The rectilinear and remedial course is initial publicity in reference to the launching of these new issues, or of additions to existing issues. To safeguard all parties concerned, the application for listing should be advertised verbatim in the daily press, at the expense of the applicants. With that precaution it is difficult to conceive that emissions of paper at the rate of millions of dollars per mile could escape the vigilance of readers. What would be thought of a court of justice that transacted business in secret? But here is a tribunal that deals with the proposed investments of billions of dollars by hundreds of thousands of people. In reference to the contents of these applications, one requirement should be rigidly demanded. When the proposed issue is to be made for the acquisition of a constructed railroad, the promoters should be required to state the names of the immediate ven-

dors to the corporations, and the prices at which they acquired the extension, branch, or other addition. Such requirement is statutory in England—a requisite for the prospectus when any property acquired by or for the floaters of an enterprise is made the basis of capitalization. Even where a general mortgage authorizes a maximum issue according to mileage, there is no substantial protection for the buyer of bonds unless he knows the prices paid for roads acquired a short time previously by directors of the company and resold to it at the maximum price named in the mortgage. A slight measure of inquisitiveness on this score would have avoided some recent inflations. As a further precaution, the Exchange should require, of its own motion, a written or oral, but public, examination of the applying bankers before the committee on stock list. Under the control of these judges, only pertinent inquiries would be permitted, and the committee could call in accountants and other experts to aid in the ascertainment of the bottom facts, when such ascertainment may be useful.

More attention should also be given to the terms of the railroad mortgages and obligations. More specific statements ought to be made in these instruments of the purposes to which the moneys are to be applied. With more care in this respect investors would not have recently awakened to the fact that the properties in which their funds had been finally placed did not at all correspond to the enterprises in which they originally supposed they were investing. A synopsis of these instruments—giving their substance and salient features—not beclouded in a mass of verbiage, should be published before the final action of the committee in reference to the listing.

Passing from the period of admission to the list, a few continuous safeguards are desirable. They all pivot around that same principle of anti-concealment, of frankness to the real party in interest—to the men, the savings bank, or the insurance company parting with capital for the sake of revenue. Where the bonds or mortgages do not provide for fixed payments but render them contingent upon net earnings, the expenditures to be deducted from the gross receipts, classified according to the provisions of the issuing instruments, should be frequently reported to the Exchange and fully published. Similar formula should be prescribed in reference to reports bearing on stock values. Every thirty days, reports based on interrogatories issued by the Exchange on blank forms should be made by the corporations. The amount of floating debt, in all its variations, should be an element of such reports: as its absence is notable in existing reports only to appear at untoward moments and becloud the most roseate pictures. It may be said that a part of these functions is performed by the Railroad Commissions established in some of the states. But many of the issues listed on the Exchange are made in states where such supervision does not exist, and in none does it cover the suggested subject matter. There is no requirement in this brief enumeration which should be objectionable to the managers of any legitimate enterprise. The trouble and expense which might be involved would be amply rewarded by the accession of reassured clientage.

Above other considerations such regime would repel animadversions both from political and moral sources. Indeed, some impartial constituents of the Exchange are inclined to attach a modicum of blameworthiness to laxity in its checks upon promotion. The doors of the Exchange need not be left ajar to effrontery, though claiming prestige and clamoring for listing. The Exchange should assert its mastery. With the passing of the present punitive period, there will be adequate and legitimate demands for capital, willing to submit to inspection and scrutiny. But the prime desideratum consists in convincing the investing believers in the country's prosperity that the New York Stock Exchange is their friend. With

this moral protection thrown around investments, the great army of the thrifty from every town and hamlet and countryside will rally to the support of enterprise. Legislators will then perceive that Wall Street is not in New York alone. They will learn that merchants and shopkeepers, and all the corporate machinery for the guardianship of savings throughout the country, form the Greater Wall Street.

GUARDING MONEY.

THE paper money of the government is brought in ironbound chests, locked and sealed, from the Bureau of Engraving and Printing to the cashroom of the Treasury and there delivered upon receipt to James A. Sample, chief of the division of issue, in sheets of four bills each. They are complete with signature and numbers, except for the seal, which is printed upon them with power presses in a small apartment under the cash room.

These presses are worked by two people, usually a man pressman and a woman feeder or assistant. When the seal has been imprinted upon the bills they are counted automatically, bound in packages of equal number by bands of paper, marked, signed by the persons who have handled them and passed into the adjoining room, where the sheets are cut, the bills are recounted and inspected, so that the imperfect ones may be thrown out. They are then bound into packages of equal amounts and taken to the drying vault, where they lie upon the shelves for several weeks until the ink has become perfectly dry.

Every safeguard that ingenuity can contrive is placed around these transactions, and the chief of division can tell which of his hundred or more subordinates have touched the different bills in the vaults. He knows who received them, who printed the seal, who wrapped and cut them; for every package is numbered and its history is recorded in an enormous book.

The combination of checks is so complete that Mr. Sample would know within twenty minutes if a single bill were missing, but he has never had occasion to test this knowledge except twice within fifteen years. Only two attempts have ever been made to steal the money of the government while it was in this stage of its history.

On one occasion many years ago a pressman passing a pile of notes upon the table of his neighbor slipped the top sheet under his blouse without being observed and carried it to the lavatory, where he was successful in concealing it. The theft was discovered within five minutes and it was clearly apparent that he alone could be guilty, although the evidence was purely circumstantial. No one saw him take the money. Therefore he was not arrested and was never publicly charged with the crime. But he was dismissed from the service and he knew the reason why. The bills were never recovered. He probably destroyed them, as they did not appear in circulation.

On another occasion eight or ten years ago a colored messenger whose business was to haul the money about on a cart slipped a loose sheet into his pocket unobserved while passing between the printing and the counting rooms. This theft was also unseen, but the responsibility was fastened upon him. The pile of notes was complete when it left the printer, for it was counted and registered automatically in the press. When it reached the counting room one sheet was missing and the package had not been out of the possession of the colored messenger in the meantime. Therefore he alone was responsible, and as he could not offer any satisfactory explanation he too was dismissed from the service, but was not prosecuted because there was no direct proof of his guilt.

GOING IN FOR SHOW.

JAMES B. FORGAN, president of the First National Bank of Chicago, tells a capital story on himself—the result of a brief conversation with a guide in the Bank of England. During his stay in London on his recent vacation trip in Europe, Mr. Forgan secured permission to take a party of five through the bank, a privilege not easily secured except by people of influence in London or of prominence in the banking business:

We were escorted by a guide, who, according to usual custom, said Mr. Forgan, showed us the different points of interest about the building and offered such explanations as were necessary. One place we visited was the directors' room, and while we were there one of my boys, who was with me, remarked that he saw nothing remarkable about it, that we had a much finer directors' room in the bank at home. As we were going out I said to the guide: "These young Americans are making comparisons. They say we have a much finer directors' room in our own bank in Chicago." To this I added on my own account that our directors' room was much more elaborately fitted up.

The guide's reply floored me completely. "We don't go in much, you know, for elaborate fittings," he drawled. "We leave that sort of thing to others, and I generally notice that the weaker the bank the more elaborate the fittings."

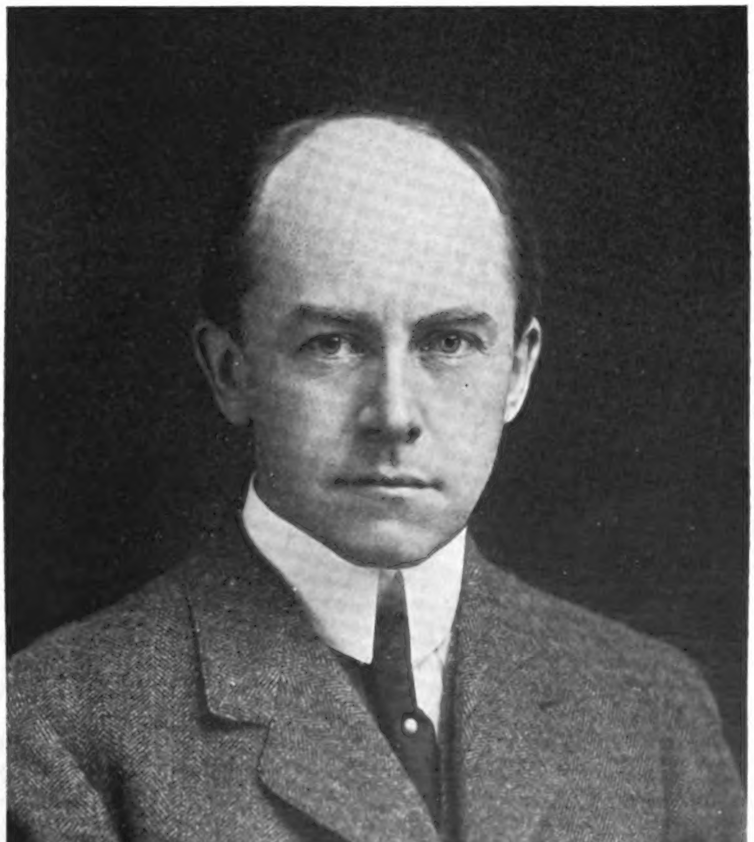
That was enough for me, said Mr. Forgan. I instituted no more comparisons in the Bank of England.

TRUST COMPANIES

Conducted by Clay Herrick.

MEETING OF THE TRUST COMPANY SECTION.

THOSE who anticipated that the recent meeting of the Trust Company Section of the American Bankers' Association at Denver would be an event of unusual interest and importance were not disappointed. The attendance was large, and the presence of a number of the older and more experienced trust company officials lent dignity and interest to the occasion.



A. A. JACKSON
President Trust Company Section American Bankers' Association.
(Vice-President Girard Trust Company, Philadelphia.)

The addresses were all marked by able treatment of live topics, and brought out clearly some of the more important and pressing problems of the day. They are well worth the careful study of trust company men.

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The Section continues to be fortunate in its selection of officers. Mr. A. A. Jackson, vice-president of the Girard Trust Co., of Philadelphia, is the new president; and Mr. H. P. McIntosh, president of the Guardian Savings & Trust Co., of Cleveland, the new first vice-president; both gentlemen having been promoted in accordance with the unwritten law of the Section. The new chairman of the executive committee, upon whose shoulders rests the bulk of the work of the Section, is Mr. Oliver C. Fuller, president of the Wisconsin Trust Co., of Milwaukee. The new members of the executive committee are Messrs. A. L. Abrahams, of Denver, Col.; F. H. Fries, of Winston-Salem, N. C.; Howard E. Bayne, of New York City; John Stites, of Louisville, Ky.; and E. J. Parker, of Quincy, Ill. Mr. Philip S. Babcock, the retiring president, was elected secretary of the Section.

* * * *

The growing feeling that the activities of the Section ought not to be confined to the annual conventions found expression in some specific lines of work proposed for the secretary's office by the very able retiring chairman of the executive committee, Mr. H. P. McIntosh. His report proposes five different lines of activity for all-the-year work of the secretary, namely (1) to gather trust company statistics; (2) to maintain an index to current financial literature; (3) to collect legal decisions and preserve a record of legislation affecting trust companies; (4) to keep up the files of the trust company forms so that they may be available to members at all times; and (5) to assist in the work of educating the public as to the functions of the trust company and its superiority over the individual trustee.

The carrying out of this program would make the secretary's office a kind of bureau of information regarding trust companies, and add very materially to the usefulness of the Section. The need of such a bureau is evident enough, for the amount of accurate statistics and information regarding trust companies that is at present available is decidedly meagre.

THE NATIONAL BANK AND THE TRUST COMPANY.

MR. BRECKENRIDGE JONES—"The Father of the Trust Company Section"—presented at the Denver convention a very able address upon "The Trust Company—A Necessity." After tracing the origin of the trust company, and showing how its rise was due to the need of the country for an institution having broader powers than those of the banks, he dwelt at length upon the exercise of trust powers by National banks, and brought out some points which, so far as the writer knows, have not heretofore been called to the attention of the banking fraternity in a public manner. By a very thorough study of the legal side of the matter, and the citation of numerous court decisions and opinions, he seems to establish the fact that the exercise of various functions of a trust nature by National banks is utterly beyond their legal powers, and that if a loss should occur by reason of a National bank doing any of these unauthorized things and the bank should be sued by anyone who had suffered loss thereby, the bank could successfully plead *ultra vires*. Among the unauthorized functions which he shows some National banks are thus performing without legal power to do so, are the maintain-

ing of safe deposit vaults as a separate business; the acting as transfer agent or registrar of stocks; the acting as trustee under a corporate mortgage; the owning of stocks; the buying and selling of bonds other than Government bonds generally or on commission.

These facts call attention again to the growing tendency to eliminate in practice whatever differences there are in theory between different classes of financial institutions. At page 378 in the September, 1908, number of the BANKERS MAGAZINE, under the caption "Are Trust Companies Banks?" it was pointed out that in the recent legislation of the various States there is a marked inclination to recognize no distinction between State banks and trust companies, the former being given trust powers and the latter full banking powers. In view of the facts brought out in Mr. Jones' address, it might now be in order to discuss at length the question "Are National Banks Trust Companies?" Mr. Jones seems to demonstrate that so far as legal authority goes, they are not; but that in practice some of them are. It appears to be beyond doubt that as a matter of fact, in many communities at least, the present tendency is for the trust company to encroach upon some of the functions of the bank, and for the bank to encroach upon some of the functions of the trust company; with this difference, however, that the trust company is acting within the powers given it by law, and the bank is often acting beyond such powers. If to these considerations is added the further fact that in some quarters the proposition to formally give trust powers to National banks is meeting with favor, it must be evident that present tendencies, if they continue, will at no distant day eliminate the differences in the powers exercised by the various classes of financial institutions, and they will each and all exercise indiscriminately the functions of National banks, savings banks and trust companies—with the possible exception of the issue of currency.

The present discussion is concerned with the facts. If the facts as above recited be admitted, then it is high time that there be a full and frank discussion of the question whether the present tendencies are wise,—whether the interests of the public will best be subserved by the maintenance of different classes of financial institutions, each strictly confined to its own sphere; or by the amalgamation of all into one single class of institutions, exercising all the present powers of the commercial bank, the savings bank and the trust company.

BANK OF SPAIN.

THE profits of the Bank of Spain for the six months of 1908 amounted to 20,340,000 pesetas, ($3,506,896,) against a profit of $2,853,448 and $3,327,586 for the first six months of 1907 and 1906, respectively. A slight reduction in the dividend of 1908 was not, therefore, to be attributed to a falling off in business, it being due to the adoption of a policy of increasing and strengthening the bank's reserve, yet it caused a depreciation of 3 per cent. in the value of its shares.

By law the Bank of Spain can issue notes up to a limit of 2,000,000,000 pesetas, ($343,000,000,) of which 1,200,000,000 pesetas ($205,800,000) shall be protected by a coin reserve fund of one-third of that amount, half of which must be in gold coin or bullion. Forty per cent. of the remaining issue up to 1,500,000,000 pesetas ($257,250,000) shall be guaranteed by a gold reserve and 60 per cent. of the remainder by deposits in silver. Of issues above 1,500,000,000 pesetas ($257,250,000) 50 per cent. have a gold guarantee and 70 per cent. of the remainder a silver deposit guarantee.

According to an official statement, the condition of the bank on July 24, 1908, was as follows:

Assets: Gold on hand, $75,357,732; silver on hand, $116,332,691; policies of credit accounts and policies of guarantee credit, (available balances,) $80,476,095; perpetual interior 4 per cent. loan, $59,391,199; all other assets, $113,152,490; total assets, $444,710,207.

Liabilities: Banknotes in circulation, $270,363,936; current accounts, $78,993,951; all other liabilities, $75,305,404; total liabilities, $444,667,291.

THE SAVINGS BANK — A PUBLIC BENEFACTOR.

By W. H. Kniffin, Jr.

FROM the standpoint of the depositor, the savings bank, as we have come to know it, is not a necessity, but rather a luxury. No man need patronize it unless he chooses. It is an "eleemosynary institution",—that is to say, gratuitous in its management and semi-philanthropic in its operation.

Savings banks are not organized as business enterprises. They have no stockholders and are not to engage in speculation or money making in a business sense. They are simply to take the deposits, *usually small,* which are offered, aggregate them and keep and invest them safely, paying such interest to the depositors as is thus made, after deducting expenses and paying the principal on demand. (Hun vs. Carey 82 N. Y. 66.) The chief business of a savings bank is to receive deposits, invest them in certain classes of securities, specified in the statute, and to pay to the depositors the amount due them either in whole or in part, as they may from time to time demand. It has no authority to do a general banking business, not even to engage in the business of discounting bank paper. (Bradee vs. Warren Five Cents Saving Bank 127 Mass. 107.) The principal features of a savings bank are that they offer safe security with small interest *with no profit to the managers* as contra distinguished from a larger rate of interest and less security. (Barret vs. Bloomfield Sav. Inst., 64 N. J. Eq. 425.)

The business bank or bank of discount and deposit is essential to the business interests of the country; the commercial industries of the world could no more do without the bank with its manifold usefulnesses than without the railroad or the mail service. During the panic of the Fall of 1907, one section of Brooklyn, teeming with life and industries, with factories on every hand, was left with but one "going concern." No other bank of discount and deposit was within walking distance and the one bank found itself overwhelmed with a vast volume of additional business for which it was inadequately adapted, and the importance of the commercial bank to business interests soon became apparent to the merchants and manufacturers who were thus obliged to seek other connections.

The business bank handles the capital, the working balance of the nation; the savings bank looks after the surplus. Until a man has earned more than he requires for his immediate needs, and more than his shop, his home, his profession demands as a working fund, he has but little use for the savings bank. Rainy day funds, old age pensions, funeral benefits, idle money awaiting investment, hoardings, all meet together in the savings bank.

THE MISSION OF THE SAVINGS BANK.

The paramount mission of the savings bank, as above stated, is to care for such money; to place it safely and securely and repay it on demand. But if this was its only benefit it would render no better service than does the proverbial stocking, or the strong box under the bed—save in the added security; nevertheless it has an impor-

tant place in the political economy of the nation. When it is remembered that the savings banks of the United States, stock and mutual, hold $3,690,078,945 of the people's money, representing 8,588,811 depositors in the various States, the importance of the savings bank as a depository will at once be seen. If this money was simply stowed away in vaults, the country would be the poorer because of the locking up of so much capital, but this is not the case, for in a thousand forms and fashions, this is scattered to the four winds, benefiting those who would borrow, and can use more than they have and are willing to pay for the use, as well as those who have a surplus to lay aside. Here the debtor meets the creditor and both are served.

To the savings banks of this country the United States is debtor on its bonds, in the small sum of $18,744,618, chiefly because they are gilt edge and come high, and are not a profitable savings bank investment. The various States, counties and cities have used $618,438,020 savings bank money in public improvements; while the railroads are borrowers to the extent of $602,224,313 for tracks and cars and stations and engines and what not; the commercial banks with stock for sale have found buyers in the shape of savings banks where this is permitted, to the tune of $24,987,618; while other communities and corporations, with securities digestible and dyspeptic, have placed $290,101,704 among the savings banks, and the immense sum of $1,385,484,075 has been loaned on real estate. This means much more than a few figures "run trippingly off the tongue." Who can measure the force and the effect of this scattered wealth, and where would these cities and towns and corporations and individuals have gone, if the savings banks had not been in the field? Many a municipality has found its credit sustained, and its public ventures enhanced by the fact that a savings bank was in its midst, ever ready to buy its obligations; and many a family blesses the savings bank, that it has made a home possible. The Commissioner of Banking for Massachusetts stated in his report for 1907, that the most noticeable investment of the year under report was the loaning of $8,916,000 to the New York, New Haven & Hartford, and the Boston & Maine railroads, for five years. Evidently these concerns have "found" the savings bank!

The Ethical Side.

As a philanthropic institution run "not for gain, but for glory," and organized and conducted by busy men without axes to grind, and who get no pay whatever for their labor, it is eminently worthy of regard and close and careful study. But no institution that must depend on the public for support has the right to bid for that favor and support, unless it has a definite and distinct service to render in return. No institution has the inherent right to exist unless it can give a good account of its stewardship. Unless the world is a better and safer place to live, and richer, withal, it has but little to commend it to our intelligence. The hospital alleviates pain; the school educates; the church exalts and purifies and "keeps sweet"; the library and the art museum cater to the esthetic taste, while the orphan asylum and the almshouse provide for those unable to care for themselves.

Therefore, as an eleemosynary institution and more or less of a philanthropy, as aforesaid, and entitled to rank with those institutions that better mankind, does the savings bank render a service clear cut and worthy? Does it repay these men for their time and attention, and the State for its support and encouragement? Let us see.

In the accumulation of the vast sum mentioned above lies a secret—*the secret*. The best argument for its value to the State lies therein; its best service to the individuals has been rendered in that accumulation. Now it is a principle of political economy that he helps the man best, who helps him to help

himself. Charity often pauperizes. Careless and indiscriminate giving is not to be desired. The savings bank has nothing to give away, as was said in the preceding paper, but when it starts out, directed by those who have naught save honor to gain in its conduct, to "encourage habits of thrift and industry among the masses," it is in a class distinctly by itself. No other institution has done half so well or so wisely. In providing a place, convenient and safe, where the man who is thrifty enough to earn more than he spends may leave his money, with full assurance that it will be safely kept, and profitably invested and handed back to him intact, with a little interest for good measure, it renders him as distinct and beneficial a service as if it were to buy him a ton of coal, or furnish him with food, clothing, or work.

Through the school savings bank, the child may deposit the pennies; through the savings club, the seven-dollar-a-week clerk may save a dollar, a half, or a quarter; over the counter, it will take the larger sums from those in better circumstances. It knows no race, nor color, nor creed. Money in hand is the only password, and having worked hard for it,—'twill take the precious hoard, and put it where it cannot burn, or rot, or rust, and where thieves cannot break through and steal, without being caught by the American Bankers' Association. Where it will work for them, as they once worked for it, and come back a little larger, when they will.

Here the widow with her mite or with her dowry; the legatee with his inheritance; the worker on his way to the capitalist; the laborer providing for old age, or the rainy day; the man saving for a home; the youth struggling for an education; the miser with his hoard, —all pool their savings and it becomes a common fund with which the bank man, experienced and trained in the ways of finance goes out into the market and buys bonds and stocks and mortgages.

Helping the Masses.

But does it reach the people? *Does it* encourage habits of thrift and industry? Do the people use this institution in the way that it was designed to help them? Does it get the dollar of the clerk, the penny of the child and the larger sum of the man of wealth? In evidence the following is offered:— The savings banks of Connecticut have 50,664 depositors with from $1.00 to $2,000 on deposit. There are 24,446 with from $2,000 to $10,000 and only 422 having over $10,000. The savings banks of Maine received 169,846 deposits of $500 or less during 1907. Of those depositing from $500 to $2,000 there were 50,911, while but 240 people had $5,000 and over. The 189 savings banks of Massachusetts have enough money to give every man, woman and child $220.67, and one out of every 1.4 people have savings bank accounts in this State. Out of 7,269,000 people in New York, 2,741,000 have savings accounts— one out of every three!

A more concrete instance will be found in the following table, taken from the report of an "East Side" savings bank in New York. During the year 1907, this bank received 46,914 deposits, classified as follows:

In sums not exceeding $5	2,727
In sums over $5, not exceeding $10	5,907
In sums over 10, not exceeding 20	8,225
In sums over 20, not exceeding 30	6,845
In sums over 30, not exceeding 40	3,083
In sums over 40, not exceeding 50	4,632
In sums over 50, not exceeding 60	1,405
In sums over 60, not exceeding 70	972
In sums over 70, not exceeding 80	1,218
In sums over 80, not exceeding 90	466
In sums over 90, not exceeding 100	3,205
In sums over 100, not exceeding 200	3,607
In sums over 200, not exceeding 300	1,448
In sums over 300, not exceeding 400	718
In sums over 400, not exceeding 500	784
In sums over 500, not exceeding 600	306
In sums over 600, not exceeding 700	183
In sums over 700, not exceeding 800	154
In sums over 800, not exceeding 900	105
In sums over 900, not exceeding 1,000	290
In sums over 1,000, not exceeding 2,000	423
In sums of 2,000 and over	211

A still broader scope is offered in the appended table, showing the number of savings depositors, the average de-

posit, the population, the ratio of depositors to population and the average number of depositors.

When it is remembered that out of every two men in Massachusetts, one has a savings account and the other is four-tenths on the way to this accomplishment, the popularity of these institutions and their far-reaching influence will become apparent. Connecticut closely follows, with one out of 1.7, Vermont and New Hampshire with one out of every 2.2; New York does pretty well, with one out of every 2.6; Maine, the prohibition State, has a good record with one for every three tee-totalers; Pennsylvania, the home of the building and loan association, shows up badly with only one out of every 13.9, but the other eighty-seven probably have shares in the loan associations. It matters not so much where they put it, so long as they put it where it will be safe. The habit is the main thing. Wisconsin with one out of every 330, is the last in the race, if these figures be true, and when the matter of laws is reached, the reason will be seen.

Whose Money?

Who built the homes, the business houses, the factories, the bridges and public buildings? Who paid for sewers, and streets and parks and railways? The people,—yes. But how? The average man has not enough money to build him a house, a factory, or a church. The railroads are all heavy borrowers and always in debt. In the form of the mortgage, the savings bank comes to the rescue of the man who would build a home and says: "You furnish one-half and we'll furnish the other." To the railroad it says: "Go ahead—we've plenty of money. Build well and wisely and we will buy your bonds." To the municipality: "Furnish us bridges and good streets and lights and public parks and buildings and we'll pay the bills!"

Now, none of the good people who deposited their money in the bank on the "East Side," as shown in the table, had enough at one time to build much of a house; they certainly did not have enough to build a railroad, and many scarcely enough to buy one of its bonds. But, as we learned in childhood:

"Little drops of water and little grains
of sand,
Make the mighty ocean and the pleasant
land."

These people had the trifles, which multiplied together, make the greater things. When the trifles got together in the savings bank, the savings bank and the railroad man could get together and arrange a bond sale!

"The general object of the savings bank is to combine small amounts for the purpose of making the combined deposits more available for advantageous investment." (Lewis vs. Lynn Inst. for Savings, 148 Mass. 235.)

The savings banks of New York State held $688,066,201 in mortgage loans in 1906. How many homes and shops and factories and office buildings this has builded, is not a matter of record. The real estate of Greater New York is assessed at $6,240,480,602 at market value (1907) but the savings banks of the Empire State could buy *one-fourth of this stupendous realty.* In 1907 the savings banks of the greater city held mortgages on this property bordering closely on *half a billion dollars.* The statement has been made that the bonded debt of all the cities, States, counties, school districts and towns of the United States is $1,800,000,000,* and if this be true, the savings banks of New York and Massachusetts can pay that debt in cash and have a billion left over! *The atoms have taken force, as they have multiplied, but it was the "people's" money.*

Far-Reaching Effects.

The savings banks of Greater New York, with over a billion dollars on deposit, are conceded to be among the largest lenders on mortgage security in the city—perhaps the largest. But

* Comptroller's report for 1907. Saturday Evening Post, Apr. 11, 1908.

when panicky times prevail and retrenchment is necessary, and loans must be restricted, not only the greater city feels the effects, but for hundreds of miles around and in every town and hamlet, the pinch is felt. The carpenter, the mason, the plumber, the landlord, the butcher and the baker, all must economize in turn. Away back in the mountains where they dig for cement, or quarry stone, and along the Hudson where they make brick,—in a thousand forms and in multiplying instances, the world soon knows what the savings banks of the Metropolis are doing. It is an endless cycle; touch it with good and the world rejoices; touch it with harm and the world mourns.

Herein lies the secret. The man, the community that would borrow goes to the bank--the savings bank. The man who would lend, if he knew how, and where and when—he goes also. The one deposits—the other borrows; the debtor meets the creditor and through the bank, both are served. Every dollar deposited makes not only the man richer, but the community as well. Every time you cross a bridge; every time you ride in the trolley or on the steam car; every time you cross a clean, well paved street, and enter a public building or a park; wherever you find a home—mortgaged or clear; wherever you touch corporate or private life, you touch the savings bank. Wherever men have gone to build homes and factories; to create empires and open new territories and new opportunities, the savings bank will follow, both as a lender and as a depository.

Perhaps no better individualistic illustration of this principal can be found than a concrete instance.

Mr. Cohen was a Jew—that may account for it all. He had a large family, and that may have helped his case. He lived in Russia, and that certainly did not. He came to America, and this doubtless had much to do with this history; at least, as patriotic citizens we will be satisfied with this explanation.

When he reached the land of his dreams and of opportunities, he started out with a pack. He prospered, and the savings went into the savings bank. As the boys grew up they followed the elder Cohen in the pack business. As the trade grew and as business expanded, the pack was discarded for the junk wagon, but still the surplus grew.

TABLE SHOWING THE SAVINGS BANKS OF SEVERAL STATES, WITH DATA CONCERNING DEPOSITS AND DEPOSITORS, COMPILED FROM THE COMPTROLLER'S REPORT FOR 1907 AND THE CENSUS OF 1900.

STATE.	No. of Banks.	Average Deposit.	No. Savings Bank Depositors.	Population.	Ratio of Depositors to Population.	Average Number having Savings Accts.
Maine	51	$380.36	225,346	694,466	.32	1 out of 3
New Hampshire	55	422.72	183,243	411,588	.44	1 out of 2.2
Vermont	48	372.23	154,325	343,641	.44	1 out of 2.2
Massachusetts	189	363.70	1,908,378	2,805,346	.68	1 out of 1.4
Rhode Island	28	542.77	122,319	428,556	.28	1 out of 3.4
Connecticut	88	476.06	517,301	908,420	.56	1 out of 1.7
New York	137	508.72	2,740,808	7,268,894	.37	1 out of 2.6
New Jersey	26	332.09	283,689	1,883,669	.15	1 out of 6.6
Pennsylvania	13	349.84	454,995	6,302,115	.072	1 out of 13
Delaware	2	280.86	31,400	184,735	.17	1 out of 5.8
Maryland	17	353.61	217,183	1,188,044	.18	1 out of 5.4
West Virginia	1	210.37	5,350	958,800	.0055	1 out of 178
Ohio	3	546.54	99,651	4,157,545	.024	1 out of 42
Indiana	5	364.63	31,361	2,516,462	.012	1 out of 80
Wisconsin	2	199.74	6,181	2,069,042	.0029	1 out of 334
Minnesota	14	257.95	93,152	1,751,394	.053	1 out of 18
District of Columbia	12	170.08	33,034	278,718	.118	1 out of 8.5
North Carolina	22	188.33	32,770	1,893,810	.017	1 out of 57
South Carolina	31	382.40	27,336	1,340,316	.024	1 out of 49
Iowa	571	359.28	376,783	2,231,853	.168	1 out of 5.9

In due time, a modest store was opened, with the older girl in charge, while the men still ran the wagons. But steadily, systematically, the surplus grew. In the course of years, one store after another was added to the "Cohen family" until five were running in one town. By this time the elder Cohen decided he could afford a good home. He bought it—with the help of the savings bank, and soon liquidated the mortgage. Shortly afterward the best apartment house in that town was for sale. Mr. Cohen bought it—with the help of the savings bank. Religiously, Mrs. Cohen collected the rents and as religiously put them in the savings bank, until the second mortgage was discharged. What they will do next, no one knows, but still they are climbing up. The old man "sits in state and bosses the job," while the boys run the business,—a modest, unassuming, clear-cut, honest, worthy citizen, *climbing up*.

But would he and they have climbed quite so fast, or so surely, if they had not had the "thrift habit," and had the savings bank not been at their elbow, ever ready to assist, either as a debtor, or as a creditor? Mr. Cohen will tell.

In its ethics sound; in its management able and conservative; among its patrons popular and trusted, in the past honored, and in the present honorable; in its aim high; in its benefits many and far-reaching, the savings bank is perhaps the best, the highest type of financial institution—*as good as a monied institution can be.*

If he who makes two blades of grass grow where but one grew before is a philanthropist, and he who helps his fellow-men a public benefactor, then that institution which makes capitalists out of wage-earners and thrifty citizens out of spendthrifts; that builds homes and churches and schools and parks and railroads and helps create empires, is eminently worthy of rank as a benefactor of the race.

Said a wise man not long ago, "Of the four institutions that stand for the good in life, first comes the home, then the church, the school house and the savings bank." And he is right!

MASSACHUSETTS SAVINGS BANK INVESTMENTS.

ACCORDING to a recent report it is shown that a striking change in the character of savings bank investments in Massachusetts has taken place in recent years, viz., the increasing proportion of the assets which are being invested in railroads, bonds and notes, a feature which reflects the steady growth of the railroad systems in both physical extent and stability of credit. In 1847 but 3.6 per cent. of the total assets of Massachusetts savings banks were invested in railroad securities; in 1877 but 3.63 per cent., and in 1902 16.83 per cent. In 1907, however, over twenty per cent., or one-fifth of total assets were invested in this class of security.

By far the largest proportion of the assets of Massachusetts savings banks have always been invested in loans on real estate. In 1907, four per cent. was so invested. Real estate mortgages are now probably the highest income producing investment held by savings banks owing to exemption from the five mill tax levied on deposits invested in most other classes of authorized security. Average income return from real estate investments in 1907 was 4.73 per cent.

	1907. %	1902. %	1887. %	1877. %	1847. %
R. R. bonds and notes	20.26	16.83	7.65	3.63	.36
Real est. loans	40.95	40.82	37.78	46.47	33.90
Loans on personal sec.	19.11	20.70	24.76	13.64	16.84
Public funds	11.79	13.52	15.78	17.35	25.25
Cash and misc.	7.89	8.13	14.03	18.91	23.65
Total	100.00	100.00	100.00	100.00	100.00

Nearly twenty per cent. of the assets

of savings banks are invested in loans on personal security. These investments yield a higher income return, which averaged 5.68 per cent. in 1907. From the time the original savings bank law was passed in 1834 this has been a favorite form of investment. Public funds and bank stocks are declining in favor on account of the comparatively small income return.

Herewith is a table showing the chief classes of security authorized for investment for Massachusetts savings banks, and the proportion of assets invested in each class at various periods in the past sixty years:

SAVINGS BANK MEN AT DENVER.

Synopsis of the Proceedings of the Savings Bank Section of the American Bankers' Association.

By W. H. Kniffin, Jr.

WHENCE cometh this cry for postal savings banks and guaranteed bank deposits? Not from the farmer, the mechanic or the laborer; not from Massachusetts or Montana; not from New Jersey or Nevada; not from Ohio or Oregon; not from the bankers of the country and certainly not from their representatives at Denver.

True, the Postmasters-General for several years past have advocated the postal savings bank, and our good President has gone on record in favor likewise, but it remained for the politicians to feel the pulse of the people and strenuously to advocate this panacea for their financial ills, and crystalize the matter into party platforms, one advocating the postal savings bank and the other, under the tutoring of "the Peerless One," the guarantee of bank deposits. But it's a long journey from a political platform to a statute, and fraught with many dangers and vicissitudes. This scheme of guaranty may have gone into Denver in pretty good condition in July, but certain it is, that it came out "badly damaged" in September.

If we would seek the real source of this demand (if demand there really is) for the postal savings bank in the United States and a deposit guaranty it will no doubt be found in the larger cities, and especially among the foreign element as typified by the term "East Side." These are the people who persist in depositing their money with the unreliable and abundant "foreign banks," with no restrictions and no supervisions and no safeguards, rather than with the older and larger and safer institutions. The past year has witnessed a large number of failures among these "bankers" and much loss and many tears in consequence, and as a result we have the clamor for a Government bank, or a scheme of deposits guaranteed by the Government, in the absence of which the east side depositor turns to the post office and buys money orders payable to himself, or to his native institutions in which he has more confidence.

Only a few weeks ago, a prominent New York merchant, one famous for his charities, in commenting upon the failure of several of these private institutions, said in substance: "If Mr. Bryan had been in power, these banks would never have closed their doors and defrauded these poor people out of their money. His guarantee plan would have made loss impossible." "But how could Mr. Bryan in Washington prevent a foreign banker in New York defrauding his depositors?" was the query. "Well," said the merchant, "he would have found a way, somehow. When the affairs of the heart are at stake legal obstacles must be brushed aside. To see these poor creatures tearing their hair and half crazy over the

loss of their money, would turn the hardest heart, and some way would be found to make their money secure."

Here is the argument for the postal savings idea; here is the excuse for a guarantee of bank deposits. Here an emphatic demand for better security,—but needless, for as long as the "Bowery," the "Emigrant Industrial," the "Citizens," the "Metropolitan," the "Dry Dock," the "East River," and a host of others stand with open doors from ten to three o'clock, as solid as a postal savings bank could ever be,—as secure as a guarantee could ever make them, the man or the woman, foreign or native, who insists in patronizing the private banker, will lose their money and deserve to. Let them take their money to American institutions, conducted by Americans under American ideas, and losses and tears and hair-rending will cease. But to come back to Denver.

Long before the convention assembled, savings bank men were given to understand that carefully prepared papers, polished until perfect in grammar and diction, would not be welcome, but if they had anything to say on the postal or the guarantee scheme, to load their guns to the muzzle and come ready to fire. And they did. In no uncertain tone they spoke, and both the Savings Bank Section and the general convention went on record as unalterably opposed to both schemes. Hence the damaged condition of the "twins," as they limped away from Denver, hunting for politicians to bind up their wounds.

Listen to the resolutions (by the main body):

RESOLVED: That the American Bankers' Association is unalterably opposed to any arbitrary plan looking to the mutual guarantee of deposits, either by a state or the nation, for the following reasons:

1. It is a function outside of state or national government.
2. It is unsound in principle.
3. It is impractical and misleading.
4. It is revolutionary in character.
5. It is subversive of sound economics.
6. It will lower the standard of our present banking system.
7. Productive of and encourages bad banking.
8. It unjustly weakens the strong and unfairly strengthens the weak bank.
9. It discredits honesty, ability and conservatism.
10. A loss suffered by one bank jeopardizes all banks.
11. The public must eventually pay the tax.
12. It will cause and not avert panics.

As to the postal savings banks:

Mr. Breckinridge: "I move that it is the sense of this Association that we should condemn, in unqualified terms, the proposition for the establishment of postal savings banks or any other system by which the Government enters directly into banking relations with the people." Carried.

As to the guarantee of deposits (Savings Bank Section):

Mr. Herrick: "I desire to offer the following:

WHEREAS, This Savings Bank Section of the American Bankers' Association represents the savings of the people of the United States; and

WHEREAS, The record of these banks for conservatism, ability and unselfish devotion to the interests of their depositors, is unparalleled in any country in the world; and

WHEREAS, The loss to their depositors has been so small as to be absolutely a negligible quantity; therefore, be it

RESOLVED, That inasmuch as any plan for a scheme to make each of these banks responsible by taxation or assessment for the acts of one another or to connect them in any way with the national banking system is economically unsound in principle, confiscatory in form, and inimical to the best interests of its depositors, stockholders and borrowers; it would discourage individual initiative, the best products of the American mind; it is a specious form of paternalism and socialism; it would tend to encourage speculation and an undue expansion of credit; therefore, be it

RESOLVED, That we enter a most solemn protest against the enaction into law, either by states or by the nation, of any principles so subversive to sound economics and so revolutionary in character.

In support of his resolution, ex-Governor Herrick, of Ohio, said, in part:

Let me call attention to a few practical illustrations of the absurdity and futility of such a law as is proposed. There are

in the United States about fourteen billion dollars of deposits; there is in circulation currency, gold, silver and coin, about three billions of dollars; there is probably in the pockets of the people about one billion of dollars; there is held in reserve possibly nearly two billion dollars more; we cannot tell those sums precisely, but in any event there are probably about twelve billions of dollars—represented by what? *If you are going to liquidate all the banks to-day and pay fourteen billions of deposits, what are you going to pay them with?* Three billions of dollars. Where, then, are the other eleven or twelve billions? Where do they originate? I speak to you who are versed in banking, experts on this subject; I submit that all the balance of that sum, 85 per cent. of which practical is based on loans and credit. Yet it is proposed to guarantee, to link up every bank in the United States with every other bank, and to guarantee the deposits of this currency, gold, silver and coin. And you guarantee what? *Eleven or twelve billions of credit based on loans simply.* Think of the absurdity of it! Why, if you are going to guarantee anything, why *not go to the origin of it all, and guarantee the credit and the loan?* That shows the absurdity of the matter. It is like lifting yourself up by your boot strap, or like a snake swallowing his own tail. Take the instance in New York City during the last panic, where there were failures to the amount of $98,000,000. Under the Oklahoma scheme—for it is a scheme—what would have happened? We would have had an assessment of 1 per cent. on the deposits of the State of New York, which would have produced $44,000,000. Would you have had that sum on hand in currency, withdrawn from circulation? Would you have had it in bonds? How would you administer that fund? In addition to that, you would have had to make an assessment of $48,000,000 on the banks of New York in order to make up the balance. Why, gentlemen, I assert that such action would have precipitated the entire country into ruin and disaster. As it was, the people were on the verge of ruin. And it was all due to the fact that the depositors were frightened—not that they needed the money. What is the result, the effect? It is this, that there is a loss of about $15,000 that all this fuss is about. Credit is re-established, equilibrium has again asserted itself and we are all right once more, with the loss of only about $15,000! To collect $44,000,000 and then $48,000,000 more!

Now, I maintain that instead of the closing of an institution and then an utter irresponsibility on the part of stockholders, which is a legitimate part of this scheme, —I maintain that they have some duties to perform as well as the men who manage an institution and not permit the vultures to take away without protest the assets of the concern and then sell them out at auction, which is a wanton and unnecessary waste. I contend that the records of the banks of the United States clearly indicate that such a course is unnecessary. Now, it has been said on the other hand: "Oh, well, this may trouble the banker; we are not so much interested, but the depositor must be paid." My friends, you cannot separate the interests of the banker from the interests of the borrower and depositor. I speak now for an institution which I know more intimately than the others, the mutual bank. Out of all the savings in the United States, in these mutual banks, there are upward of three billion dollars. *There are seven millions of stockholders;* there is not one dollar of stock in these institutions; and those institutions make about four-tenths of one per cent. profit. I speak of our own institution. We have 80,000 depositors and $50,000,000 of deposits, and our profit on the deposits is one-tenth of one per cent. **** The depositors of this country have not been demanding anything of this sort. Why? Simply because their loss has been practically nothing. This has come from the hot-foot battle of politics. Why, I heard of a man at Lincoln the other day who had come up from Oklahoma reading some of the absurd advertisements. One man was advertising for money and had offered eight per cent. and it was said he was warned by the Governor—Governor Haskell, I suppose it must have been—that they could only pay four per cent. So he said "Very well; I individually will pay the other four per cent. myself." Then, too, the statement was made that there was a man proposing to start fifteen banks in Oklahoma, and the authorities looked up his record and found that he had failed once in his own name and once in the name of his wife. Then the Commissioner of Banking in Oklahoma proposed that they would limit the number of banks. So a suit was brought to prevent the location of a bank in Logan County and not permit any more banks in the county. A decision has just been handed down in that case holding there was nothing in the law that would prevent anyone from starting all the banks they wanted to.

Mr. Harvey, of Huntington, W. Va. (in support):

There should be some plan to protect depositors. Let us be consistent. The commonwealths of the country, the municipalities, the counties, the United States Government, will not deposit a dollar in the banks there, no matter whose bank it is,

unless the banks put up a guarantee that the money will be returned on demand. Why should we protect the biggest depositor, I ask, and not protect the smallest depositor? The little depositor is of more importance to the banks than the big depositor. Why? The little depositor deposits his money in the bank and lets it stay there waiting until he can accumulate sufficient money to enable him to build a home or to start in business. What does the big depositor do? Why the first thing you know he draws a tremendously big check and you have got to meet it without a moment's warning. You have no opportunity to loan out his money at a profit, while with the little fellow who is leaving his money in your bank until he can accumulate enough to buy a home or to start a business, you have got plenty of chances to loan his money.

Gentlemen, I tell you that unless we do devise some plan to protect the small depositor, Congress will surely pass a postal savings law of some kind and will open every postoffice in the United States for the receipt of deposits from small depositors. That will deplete the deposits of the savings banks throughout the entire land. I am speaking more especially of the rural districts. The money that is in the country, in the small towns, is collected in by the banks there and is loaned out to the people in the community; we loan these deposits to help build homes, to help start business enterprises, and that money remains out in circulation. Money, gentlemen, is the blood of commerce, and when you stagnate the circulation of money lethargy ensues and the nation dies. It is the same as if you were to stop the circulation of the blood of your body.

Mr. Wade, of St. Louis, Mo.:

I want to take exception to the statement that has been made that the government in states and municipalities requires in some sense a guarantee of its deposits that the deposit guarantee idea of Oklahoma is intended to be put into action. In one case it is entirely voluntary. You are not obliged to take a Government deposit nor a municipal deposit, nor a state deposit and give a guarantee. But, according to this fallacious notion of the guarantee of deposits, if it becomes the act of the legislature or the act of Congress, you or your institution and your assets are obliged to guarantee my integrity and my solvency and solidity.

There is a well-defined line of demarcation between being forced to do something by a legislative act and a voluntary act on the part of those conducting financial institutions. In the guaranteeing of a state deposit you go into it voluntarily, but if you are managing a savings bank and getting your charter from the State of Oklahoma you are not only guaranteeing the depositors that put their money in your institution that your institution is solvent, but you are guaranteeing the solvency of every man, reputable and disreputable, wise and unwise, within the entire confines of that state, that he will return to the depositor the money he has placed therein. Do not let us confuse the proposition with that which is voluntary and that which is intended to be forced upon us as representing financial institutions. In a discussion of the savings banks proposition it is a totally different idea from the guaranteeing of deposits. Confine your debate, if you please, to the question of government savings banks on the one side and this fallacious notion of the guaranteeing of deposits on the other side. Do not let us get confused. If you are in favor of the guaranteeing of deposits, why not at the same time pass a law and by the same powers that be each borrower shall endorse or guarantee the loans of every other borrower? (Applause.)

The Committee on Postal Savings Banks reported as follows:

Denver, September 28, 1908.

To the President and Members of the Savings Bank Section:

1. It is our opinion that unless imperatively demanded by public needs the functions of the United States Government should not be extended to the spheres more properly occupied by State governments, or by corporate or individual effort.

2. The savings systems of the majority of the States, with the modern facilities for transacting business by mail, are adequate to the needs of the people, and the safeguarding of their deposits. It is evidenced by the record of this association that it is the constant endeavor of the banking fraternity to improve these conditions in the remaining States.

3. Although, in our opinion, no great detriment will result to the existing savings bank system from the establishment of postal savings depositaries inasmuch as the present facilities are superior to any that could be afforded by the Government, or to those of the countries where postal savings banks now exist, yet the previous experiences of the United States Government in conducting banking institutions, and notably in connection with the Freedmen's Savings & Trust Company, do not encourage us to believe that the proposed postal savings system would be managed more wisely or with better success than the existing savings institutions.

4. We think it preferable to educate the

newly arrived foreigner to American methods rather than to accommodate our methods to his inexperience.

5. We point with pride to the record of the savings institutions of the United States. While the figures for 1907 are not yet available, during the year 1906 the aggregate net loss to depositors was the trivial sum of $120,000, being three-ten-thousandths of one per cent. on a total of three billion five hundred million dollars in savings deposits, whereas, the proposed Government rate of two per cent. would have deprived the depositors of at least fifty million dollars in interest in the same year.

6. We submit that our savings institutions have performed a great service throughout the United States in the developing of the country. A large proportion of the deposits in these institutions is invested in first mortgages to build homes and in municipal bonds, all of which investments have greatly assisted in the upbuilding of the various communities.

7. We hold that the history of the financial institutions of the United States demonstrates that in safety and in adaptability these institutions are developing as the country develops, through a process of evolution, and that the record of the past is a sufficient guarantee for the future that our present banking facilities will steadily grow to meet all the requirements of the country.

8. While we believe the basic objections we have urged against a Postal Savings System are unanswerable, we further submit that the bills now pending in Congress for the creation of that system should not be enacted into law, because specifically wrong in the following particulars, to which many others could be aaded.

A. The exemption of deposits from legal process is vicious, as it would provide a depositary for funds of the dishonest and the fraudulent, where they could place their money, draw interest on it, and be free from attachment, which would prove a serious menace to the business interests of the country.

B. In the use made by the Government of the funds coming into its possession through the postal savings depositaries, the provisions of the bills do not assure a wide and equitable distribution of the funds deposited nor prevent the centralization of the people's money, which belongs to and should be retained in their respective communities.

C. No provision being made for a time notice for withdrawals, the Government might at times be seriously embarrassed, to the great detriment of the general business interests of the people.

SAVINGS BANK AUDITS.

The Committee on Auditing presented a lengthy and interesting report, of which space affords but a digest:

In gathering the data, a set of twenty-two questions was sent to every member of the Association, and 590 replies were received. In the first place, as has already been stated in these columns, the bound ledger for deposit accounts is passing away, and the cards and loose leaves are being installed. One half of the larger banks (5,000 accounts and upwards) are using the cards, while the loose leaf is used by fifty per cent. of the smaller banks, while the bound book still obtains in 123 savings institutions.

"Notwithstanding the foregoing, your committee is somewhat divided on the subject. The majority being in favor of loose leaves or cards (cards preferably) for any and all accounts to which they may be put, while the minority does not favor use of the loose leaves or cards for depositors' ledger accounts, nor for general ledger accounts, believing that greater freedom from the danger of falsifying accounts is obtained by the use of bound ledgers for such. The minority does not approve of the use of either cards or loose leaf books for other records. With this explanation your committee is disposed to favor the card ledger, but the situation in each individual bank must determine this question."

Eighty-five per cent. of the banks reporting use the adding machines, and only four do not use the machine.

Posting methods are changing for the better, and the old cumbersome and inaccurate posting from cash-book or journal, and checking back, has given way to posting direct to the ledgers from the tickets and withdrawal slips. Some banks use the "coupon system" of posting and checking, where detachable perforated slips are used, some listing the new and old balances, the difference being the amount added or subtracted.

Trial Balances.

Our inquiries under this head were framed so as to learn how often a complete and actual trial balance was taken and how much time was required to do the work. It is highly gratifying to learn that in most institutions this subject receives the careful attention it deserves. It is safe to assert that if the trial balances are surrounded with adequate safeguards—if they are frequent enough, and if absolute and unvarying accuracy is insisted upon there can be very few irregularities possible. In large institutions the balancing oi ledgers should be shifted among the clerks so that no one shall receive the same ledger to balance two years in succession; the general totals should be kept by one of the officers or chief clerk and the ledger clerks should not have access to these figures. We have found that a third of those banks having less than 10,000 accounts take off their trial balances monthly; nearly one-half of the larger banks take them off semi-annually, and one-third of all the banks take them off at odd times; we approve of this latter method if it is employed in connection with the regular balancing which is usually coincident with the interest periods. One institution takes off its trial balances every six months, immediately after interest is credited and at irregular intervals outside auditors are employed to take a balance at some odd season; of course, these examiners come in unexpectedly to the clerks of the bank. A large force with several adding machines can complete the work in a very short time in even our largest banks, and the regular work is but slightly interfered with. It is highly important that the work of balancing the ledgers should be compressed into the least possible time; this is difficult because of the strain of work at interest periods, and yet it is gratifying to report that sixty per cent. of the banks complete this important work in less than a week; ten per cent. do the work in from one to three weeks; the rest of those reporting can give us no reliable data. We, of course, realize that often a stubborn error will elude the vigilance of the bookkeeper for weeks, but no bank officer should allow an error of any amount to remain unfound indefinitely, but a period should be set within which all errors must be located.

We also find that many of the banks divide their ledgers into several sections to facilitate the work of balancing—this makes the counter work a little more complicated but yields ample fruits for the extra labor involved.

Interest Periods.

The practice of allowing interest semi-annually is followed by more than 80 per cent. of the banks; a small number pay interest quarterly; while a few of the larger banks still adhere to the annual period. Over half the banks pay interest upon the monthly balances, but most of the large eastern banks pay upon a quarterly basis—in some the semi-annual balance is used as the basis of reckoning. Nearly three-fourths of all the banks allow interest from the first of the month upon deposits made during the first few days of month; a few still adhere rigidly to the old rule that interest commences on the first of the month following the deposit.

Notice for the Withdrawal of Deposits.

Nearly all the banks are protected by their charter provision in the matter of requiring notice for payments if desired. During the past year this privilege was largely availed of, though many banks report, with a show of some pride, that they have never found this step necessary. Many of the large banks in the East required notice, not because of their individual needs, but because the general commercial and banking conditions demanded that the savings institutions conserve their cash resources and thus protect those commercial banks with whom they carried balances. If these large concerns had yielded to the clamor of their depositors for currency, the situation would have been strained to the breaking point. Their action is now commended almost universally. It is wise in the opinion of this committee that every savings bank should have the right to require sixty or ninety days' notice for the withdrawal of deposits in order to protect itself from losses resulting from forced selling of securities during time of general financial stress, as well as to protect the depositors themselves from the dangers of carrying cash on their persons, or from storing it in unsafe places in their homes; but no solvent savings bank should make use of this defense if it alone is singled out and its integrity assailed in times of general prosperity.

Independent Proof of Income.

This is one of the most interesting and important topics taken up by the committee—the supposed difficulties in the way of proving the accuracy of income received lead most banks to abandon it as impracticable. Only ninety-two banks out of nearly 600 have a system which safeguards their interest receipts. In most savings banks investments and loans are largely stable; it would be but a slight task for one of the officers to review the receipts of a given period—say monthly—or to charge the

treasurer with the income expected during a future period. Changes in investments or loans can be easily adjusted. The officer receiving the income of a bank should insist upon some method of having his accounts reviewed; the resultant satisfaction of the officers higher up and of the trustees will be sufficient compensation for the added work.

Amortization.

This is a subject to which many of our banks have given little attention; less than five per cent. of the banks practice scientific amortization; about the same number roughly charge down the premium annually; while the large majority charge off the entire amount at time of purchase. Some state laws provide for statements based upon amortized values, but banks may keep their books according to the old method of par and market values. We strongly urge all banks to charge their securities down so that at maturity at least they shall appear on their books at par; one bank reported that all bonds maturing within ten years are carried at par. Certainly no bank should value its securities in such a way as to make the income yield appear greater than it actually is. The friends of scientific amortization are making progress and this subject will demand increasing attention.

Public Audit.

One-fifth of the banks responding employ outside auditors, but only thirty-seven publish the results of these audits. We feel that savings banks offer a valuable field for the energies of the public accountant, and if the matter is intelligently and tactfully brought to the attention of bank officers we believe the practice of public audits would become more general. One insuperable obstacle seems to be that all of the passbooks cannot be verified. A large eastern bank overcomes this difficulty in a measure by employing extra clerks having no connection with the regular staff, to make interest entries on passbooks as presented. These men compare the pass book balances and report any discrepancies to the officers. During the period of their employment which lasts about six weeks, they verify about one-third of the total number of pass-books; any book which may have been manipulated is, of course, liable to be presented. The method seems to be at least a partial solution of the vexing problem. Many banks under state supervision and examination feel that they are adequately protected, but not infrequently they are forcibly reminded that such examinations afford but meager defence.

AGITATION IN CANADA FOR CLEAN CURRENCY AND UNDEFACED COINS.

CANADA is now more than ready for clean currency. The dirty bills and defaced coins which are circulating among the people of the country add no credit to the good name of the Dominion. If sanitary considerations do not suggest something better, then pride of country should rise to the occasion.

Canada has probably the most disreputable medium of exchange of any nation which pretends to civilization. In this the government itself is the chief offender and has been during the changing administrations since confederation. Dominion dollar and two dollar notes are permitted to circulate until they reek with dirt and scarcely conform in size to the newer notes with which they are counted from time to time.

It is where silver is used in greatest quantities, however, that the debauching of the currency is most noticeable. Plugged half dollars, flattened dimes, worn quarters and crumpled five cent pieces are shoved on in the channels of business. The church collection plates and street railway boxes have become receptacles for much of the smallest of it. The plugged half dollar given in change by one street car conductor to a passenger is refused on another car.

So long as defaced money was accepted freely it caused no inconvenience, no loss or embarrassment. It was simply unsightly. In the larger centres all this is changing. People will not accept defaced money if they know it. It is a positive handicap to business and a constant jar to the self-respect of the man who tries to pass it along. In the meantime there is laxity at many of the gateways to tourist travel from the South.

This results in the infusion of a great amount of United States currency into Canadian trade channels, which may or may not be objectionable, according to the point of view, but which also brings along a deluge of defaced United States coin, and this cannot be circulated south of the line.

It is the business of the banks and the government to purge the currency.

The design of Canada's silver money is commonplace. It lacks distinctiveness and it is wanting in Canadian sentiment. There is plenty of material upon which to base a design which means more and looks better than the present issue. The beaver, maple leaf, the shield of the provinces, the flag and many other things might be made to play a part in a new design.—*Toronto World.*

PRACTICAL BANKING

COLLECTION DEPARTMENT METHODS.

By William M. Rosendale, of the Market and Fulton National Bank, New York.

THE Collection Department truly calls for a well-balanced man, thoroughly conversant with every detail of its work. A good, even disposition is a necessary requisite. Courtesy and tact are two important qualifications.

There are few more trying departments that the Collection Department. To get checks, notes and drafts out on time to the points where they are payable, and prompt returns, are not easy tasks.

One day, at a country hotel, a little child of five wrote a letter to his brother. After it was addressed and stamped he put it in the hotel mail box. A few minutes later he asked if his brother had received the letter. This caused quite a laugh. Yet, questions nearly as absurd are daily put to a collection clerk by business men.

Then there is the man who does not know whether he wants the item protested or not, if not paid; or whether the Bill of Lading should be delivered on the acceptance or payment of the drafts.

When the New York Clearing House rule went into effect making it obligatory to charge exchange, a business man having a bank account for twenty years, said the charge for collection was an outrage; it did not cost banks anything to collect "out-of-town" checks. All they had to do was to look up the country bank's New York correspondent and send the check to them through the clearing house.

Some banks handle only their notes and country drafts in their collection department. These banks have a department for the collection of "out-of-town" checks which they call a "Country Check Department." This is only true of some of the very large banks. The Collection Department here described will collect all "out-of-town" checks, all collection notes, all "out-of-town" discounted notes, all time drafts and all "out-of-town" sight drafts. The Collection Department, above all others, must be arranged according to the volume and character of the bank's business.

The demand drafts in the city having been accepted as a deposit and being part of the teller's cash, should be turned into cash or clearing house funds by the note teller.

All checks should be listed on a separate letter sheet from items sent for collection, or items with special instructions. This makes a division of the mail for the note teller's and Collection Department much simpler than if checks for immediate credit and collection were on the one sheet.

Out-of-Town Checks.

The sending of checks direct to small towns is very expensive, unless the bank has a large amount daily on a certain town and is thereby enabled to make a very advantageous rate. Where the amounts are not large some good banks, centrally located, should be selected and arranged with to take all checks within a certain radius, sometimes a large portion of a state. If this method be pursued the aggregate

FOREIGN CHECKS

2ND TELLER TO COLLECTION DEPARTMENT

Oct 15 1908

CHARGE

ALBANY.	24	684	75
BALTIMORE.	16	936	14
BAYONNE.	4	165	
BINGHAMTON.		465	02
BIRMINGHAM.	1	653	
BOSTON.	45	765	04
BRIDGEPORT.	1	692	08
BROOKLYN.	2	448	
BUFFALO.	1	765	
CHARLESTON.		425	
CHARLOTTE.		324	60
CHICAGO, First Nat. Bank.	14	234	
CHICAGO, Hibernian Banking Ass'n.	12	874	20
CINCINNATI.	5	462	
CLEVELAND.	4	391	75
COLUMBUS.		425	
DENVER.	1	324	
DETROIT	4	231	62

Form 1.—Memorandum for Bookkeeper to Charge Banks with Checks.

charge will be less, the labor involved will be kept at a minimum, and owing to the fact that they are in closer touch with their neighbors than you are, it will entail less loss and returns will be prompter.

The "out-of-town" checks having been accepted as cash and placed to the depositors' credit, either through the note or receiving teller's department, become part of the bank's cash. They should be assorted according to the points through which they are collected and charged to that point.

These assorted checks are divided into two groups:

First: Checks that are sent to banks where an account is kept. These banks render a statement either daily, semi-weekly or weekly.

Second: Checks that are sent to banks where there is no account. These banks pay on receipt of letter with a draft on New York after deducting a charge for collection.

The banks with which accounts are kept should be charged with all checks sent to them, from a memorandum of the totals. (Form 1.) A record should be made on manifold sheets, duplicates of which are filed away, originals, without the depositor's name, forwarded as a letter. (Forms 2 and 3.) It is a good plan to be familiar with the clearing house numbers of banks in all large cities. This will facilitate making records. Write separate letters for clearing house bank checks, and checks that are collected otherwise.

Those banks with which there is no account should be considered as "Sundry Points." The total of the amounts sent to these points should be charged to an account known as "Sundry Checks Cash." A full record of these checks should be made in a book. As the checks are paid, they should be checked off and credited to this account through a Credit book (Form 4) so that the total of the unchecked or outstanding items agrees with the balance of this account in the Bank Ledger. A record can be made on manifold sheets, the sheets kept together and as items are paid, the sheets taken out, so that totals of sheets left agree with this account. It is absolutely necessary for a bank to have such an account, because they may be obliged to send a check or draft out of its ordinary course and to some unusual point.

Form 2.—Letter Without Depositors Name (same as Form 3, with names at left hand side omitted.)

Irving National Exchange Bank

WEST BROADWAY & CHAMBERS ST

New York Oct 15 1908

Nat'l State Bank
Richmond Va

WE ENCLOSE THE FOLLOWING ITEMS FOR COLLECTION

Jones Co	Lynchburg	100
W L Price	Pulaski	211
McCaule	Danville	193
W K Evans	Fredericksburg	3448
Am. Tyre	Petersburg	3548
		9406

Telegraph Non-Payment of Items exceeding $300.00
Items under $25.00 and those marked X NO PROTEST

Form 3.—Duplicate of Letter with Depositor's Name for Bank Record.

All checks should be sent away the day they are deposited. However, where a bank's business is done mainly with mercantile houses, the checks are so many and nearly all deposited after two o'clock, that this rule can hardly be carried out. In that case the best thing to do is to send all the checks on the very large cities and all others over $100.00.

If any checks be returned protested, they should be credited to the correspondent through a credit book (Form 4) and the item collected from or charged to the depositor.

City time drafts should be sent by messenger. If the house appears reputable they may be left over night. A reminder that the draft is left should be given the messenger the next day. When these drafts are accepted they should be registered as notes.

Notes.

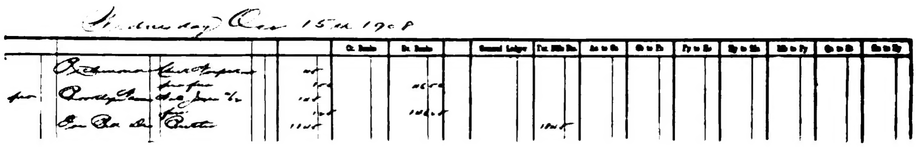
Notes come to a bank from two sources; they are deposited for collection and credit when due and paid, or they are discounted by the bank and become the bank's property and are charged to bills discounted.

All city collection notes should be registered when originally deposited in a city collection note register (Form 5) and "out-of-town" notes in a foreign collection note register (Form 6). It is a good plan to number all notes, it will often assist in locating them quickly. A diary of when the notes fall due should be kept, two for each month, one for city and one for "out-of-town"; or have one, using left hand page for the city; right, for foreign or "out-of-town" (Form 7). These diaries are indispensable. They help one to better trace the notes and are a check against mistakes in assorting them.

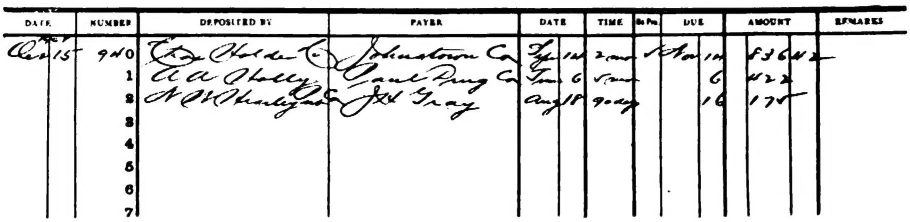
Notes should be kept assorted in the order of due date until the time comes to forward them for collection. "Out-of-town" notes are forwarded about a fortnight before due date. City notes are passed the day before they are due to the note teller who collects and credits them. The question of timing notes is rather a broad one, the majority of the states have no days of grace. The states differ very much regarding Saturdays, Sundays and holidays, and even in some states they differ in certain counties and cities and in seasons of the year.

The "out-of-town" notes which the bank has discounted are received from the discount department about a fortnight before due date for collection. They should be charged to the banks the day they are due and bills discounted credited; by doing this the balance of bills discounted will be kept at the actual amount not matured. This can be done through a journal (Form 8) in which bills discounted are credited and the bank to which the notes are sent debited. Should any discounted notes be protested, you credit the account through the credit book (Form 4) and collect the note from the customer. The discounted notes that are sent to banks having no accounts should be charged to an account called "Foreign Bills Discounted" or better "Discounted Notes in Transit" and "Bills Discounted" credited. Of course, all notes which are sent to these points cannot be credited till the drafts in payment are received, so that the drafts will offset the credit to the "Discounted Notes in Transit" account.

The recording of "out-of-town" notes and drafts by the book system seems to be used the most. The loose leaf book system is favored. By this latter plan, all used pages can be eliminated and only live matter remains in the books in use. The accounts can be kept in order to conform to the collection ledger. This ledger is best run under the old style which seems to give much better satisfaction than the balance or Boston system. Collection notes and drafts can be debited separately more conveniently, thus statements can be compared without the journal. Where banks remit daily or semi-weekly, having the account on one page seems to prove more satisfactory in checking statements up.

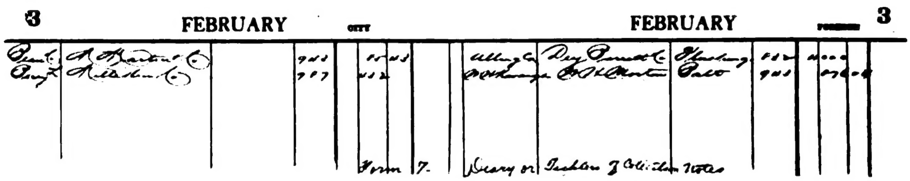


Form 4.—Credit Book.

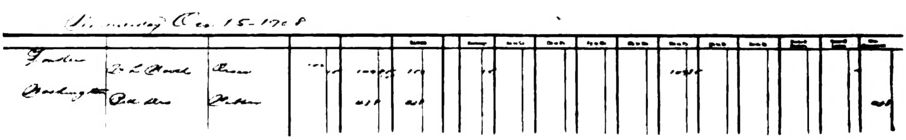


Form 5.—City Collection Note Register. (No. 6, "Out of Town," has a Column for Place of Payment.)

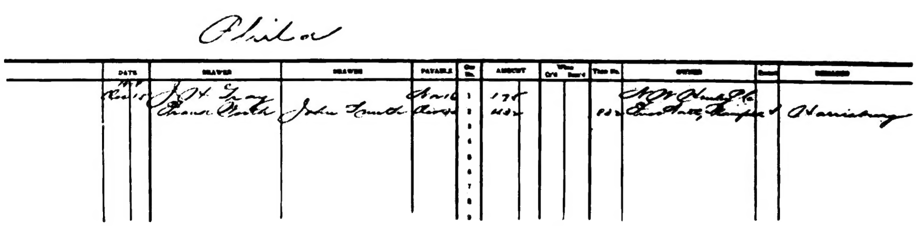
Form 6.—Same as No. 5. with Column Added for Place of Payment.



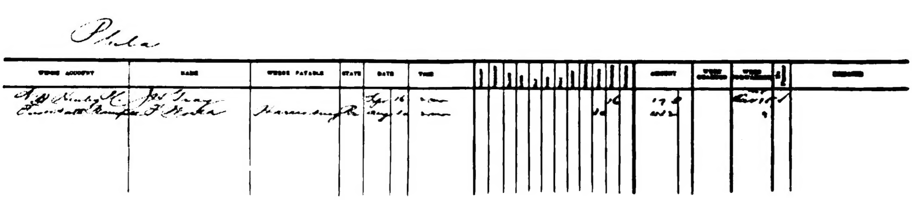
Form 7.—Diary or Ticklers of Collection Notes.



Form 8.—Journal.



Form 9.—Collection Register of Forwarded Items.



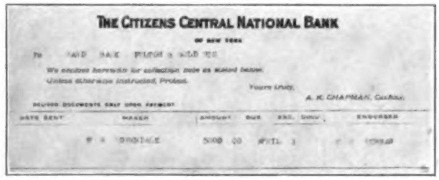
Form 9 (continued).—Collection Register of Forwarded Items.

All collections should be recorded when forwarded in a loose leaf collection register (Form 9), each point to which you send being given a page. The items sent to points where there are no accounts should also be given a page. When the drafts in payment are received they are checked off and credited to the owner, the draft offsetting the credit. The points with which accounts are kept are charged with collection notes and drafts when the advice of payment is received and the owner is credited through a journal (Form 8).

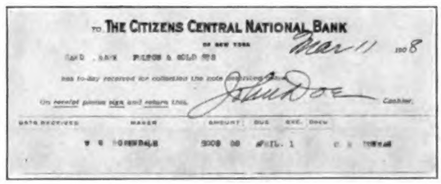
The bank's endorsement stamp should be a dating stamp. It is a great help to locate an item should it be returned. It will also assist the correspondents to give the date of forwarding when they advise payment. Some banks number all forwarded collection items; the dating stamp is not so much of a necessity then. Items sent to foreign countries should always be numbered, as it is often necessary to cable relative to them and the cost of a message will be materially reduced.

Recording of Out-of-Town Notes and Drafts by the Slip or Card System.

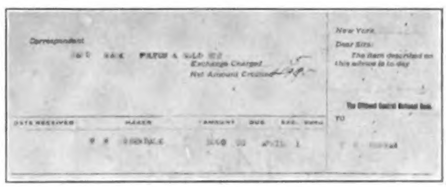
A record of the forwarded item is made on slips about $3\frac{1}{2}$ by 8 inches. Five carbon copies are made at the same time. The first slip (Form 10) is used as a letter to accompany country notes. Second slip (Form 11) is forwarded also and is used as a receipt acknowledging the arrival of the item described. Third slip (Form 12) is retained in the bank files until the note is paid or returned, then it is stamped on right hand side and forwarded to the owner stamped "PAID" as an advice of payment or with the item stamped "PAYMENT REFUSED" if it is returned unpaid. Fourth slip (Form 13) if the note be paid goes to the individual bookkeeper through a teller's department crediting the customer's account. If the note be refused, it is destroyed. Fifth slip (Form 14) goes to the bank's bookkeeper debiting the account of the remitting bank. When the bank bookkeeper has finished with it, it is returned to the collection department to be filed away as a record of handling the item. These are filed alphabetically accord-



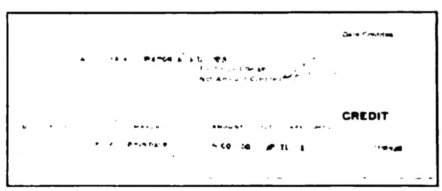
Form 10.—Letter to go with Country Notes.



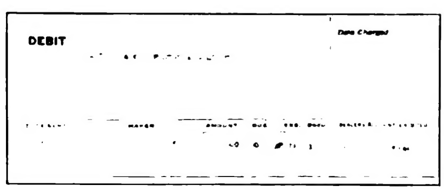
Form 11.—To be Returned as a Receipt of the Item.



Form 12.—Advice for the Depositor.



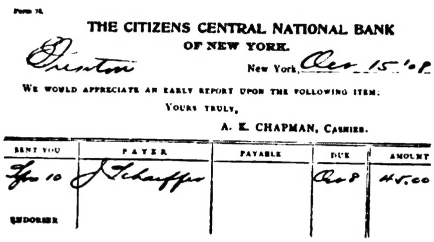
Form 13.—For the Individual Bookkeeper if Paid.



Form 14.—For the Bank's Collection Bookkeeper

ing to the points to which they are sent.

Some banks do not send slips Forms 13 and 14 through a teller's department for the individual bookkeeper to credit and bank bookkeeper to debit. These keep a journal through which debits and credits are made. Quite an abbreviated record is made because the details for the bookkeepers are taken from the slips.



THE CITIZENS CENTRAL NATIONAL BANK
OF NEW YORK.

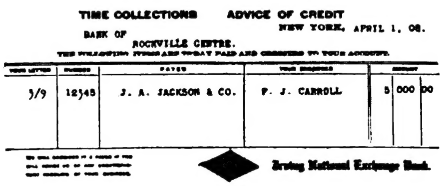
We would appreciate an early report upon the following item:
Yours truly,
A. E. CHAPMAN, Cashier.

SENT YOU	PAYER	PAYABLE	DUE	AMOUNT

ENDORSER

Form 15 and 16.—Tracer, Copy of Which is Kept in the Bank.

If an item has not been reported upon after a reasonable length of time, a tracer is sent (Form 15) keeping a carbon copy of same (Form 16) which is kept in a chronological file. If the



TIME COLLECTIONS ADVICE OF CREDIT
NEW YORK, APRIL 1, 08.
BANK OF
ROCKVILLE CENTRE.

		PAYER		
3/9	12345	J. A. JACKSON & CO.	F. J. CARROLL	5 000 00

Irving National Exchange Bank.

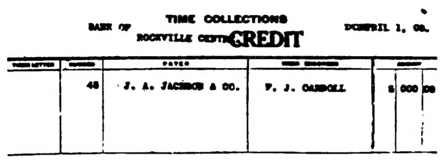
Form 17.—"City Items Advice."

item be not heard from then a second tracer is sent stamped "Second Request."

Drafts are handled in the same manner as notes, having only four slips, the acknowledgment slip being omitted. These are of different colors from those used in forwarding notes and have a slight change in the wording, but are treated exactly the same.

City notes are credited in same way, having only two slips. First slip (Form 17) is used for advice, or to send with item if refused. Second slip (Form 18) is used to send to individual bookkeeper to credit the customer.

The charges for exchange should be carefully watched and the slightest



TIME COLLECTIONS
BANK OF
ROCKVILLE CENTRE CREDIT

		PAYER		
	48	J. A. JACKSON & CO.	F. J. CARROLL	5 000 00

Form 18.—City Items for the Individual Bookkeeper if Paid.

overcharge should be called to the attention of the correspondents. Banks frequently offer to collect whole sections for nothing or next to it, plus the actual cost to them. Experience teaches that this is more expensive than a fair fixed rate on the aggregate.

BURNING THE BARN.

IF the people of the United States want to stop all speculation, put an end to all the risks of banking and prevent all panics, there is one way in which they can do it.

Panics can be prevented and all speculative abuses stopped by abolishing the credit system. This can be brought about by making it a penal offence to buy or sell anything upon credit and to make any loans. By putting all business strictly upon a cash basis, there would be no runs upon the banks; there would be no repudiation of debts, because there would be no debts, and there would be no panics.

Inasmuch as 97 per cent. of all the business of the country is done by credit and as all credit involves risk, and as risk is speculation, it follows that by destroying the credit system the country would eliminate the 97 per cent. of risk which is at present involved in the conduct of its business. Of course by eliminating this risk the country would so retard its rate of growth that thereafter it would take 97 years to accomplish what is now achieved in three years.

But perhaps such a revolution as that is a comforting thought to those who hold to the theory that the best way to get rid of rats is to burn the barn.—*Wall Street Journal.*

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NATIONAL BANK—EXTENDING PERIOD OF SUCCESSION—WITHDRAWAL OF STOCKHOLDER.

APSEY vs. WHITTEMORE.

SUPREME JUDICIAL COURT OF MASSACHUSETTS, MAY 22, 1908.

W., a stockholder in a national bank which was extending its period of succession, gave the directors due notice of her desire to withdraw from the bank, and afterwards selected a person to act on her behalf in appraising the value of her stock, and gave the bank notice of such appointment. The directors then selected the president as an appraiser on behalf of the bank; but W. was unable, after reasonable effort, to procure the appointment of a third appraiser. Afterwards the bank failed, and an assessment was made against W. upon the stock: *Held,* that she was to be deemed a creditor of the bank, and not a stockholder.

NORTON, J.: On Aug. 16, 1906, the First National Bank of Chelsea closed its doors and suspended business, and on the 25th day of the same month the plaintiff was duly appointed receiver by the Comptroller of the Currency. On Sept. 25, 1906, the Comptroller ordered an assessment on each share of stock of $100, payable on or before Oct. 25, 1906, and ordered the plaintiff to collect the same by proper proceedings. This is an action by the receiver to recover of the defendant the assessment upon ten shares of which she is alleged to have been the owner at the time when the assessment was levied. The court ordered a verdict for the defendant and the case is here on exceptions by the plaintiff to the ruling thus made and to the refusal to give certain rulings that were requested. We think that the ruling was right.

The question is whether the defendant was a stockholder when the assessment was levied. The facts are undisputed. The defendant became a stockholder in 1893. On Sept. 5, 1904, the twenty-year period of succession of the bank expired. Proper proceedings were taken under the act of July 12, 1882, and the articles of association were amended so that the period of succession was extended twenty years from that date. Section 5 of the act of July 12, 1882 (Act July 12, 1882, c. 290, 22 Stat. 163 [U. S. Comp. St. 1901, p. 3458]), provides "that when any national banking association has amended its articles of association as provided in this act, and the Comptroller has granted his certificate of approval any shareholder not assenting to such amendment may give

notice in writing to the directors, within thirty days from the date of the certificate of approval of his desire to withdraw from said association, in which case he shall be entitled to receive from said banking association the value of the shares so held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by such shareholder, one by the directors, and the third by the first two; and in case the value so fixed shall not be satisfactory to any such shareholder, he may appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding; * * * and the value so ascertained and determined shall be deemed to be a debt due, and be forthwith paid, to said shareholder from said bank; and the shares so surrendered and appraised shall after due notice, be sold at public sale within thirty days after the final appraisal provided in this section." Within the thirty days thus provided the defendant gave the directors due notice of her desire to withdraw from the association and afterwards appointed one William R. Dresser as a member of the appraisal committee, and gave due notice of such appointment to the directors, and the directors appointed as a member one Sylvester B. Hinckley, a director of the bank and its president and a large stockholder. After waiting some months subsequent to the appointment of said Dresser and Hinckley, during which she made all reasonable efforts to have a third member appointed, but without success, the defendant in September, 1905, employed counsel who communicated with Hinckley, urging such appointment. Hinckley or the bank also employed counsel, and a correspondence which proved ineffectual ensued between the two attorneys in regard to the appointment. In January, 1905, the bank declared a regular dividend of three per cent., and sent the defendant a check for the dividend on ten shares. The defendant promptly returned the check, declaring that she was not a stockholder and she never used or asserted any rights or privileges as a stockholder after September 5, 1904, the time when the twenty-year period of succession of the bank expired. Further dividends were declared by the bank before its suspension, but none of them were sent to or received by the defendant. The defendant retained her certificate of stock and did not offer, so far as appears, to surrender it, and was credited on the bank's stock ledger with the ten shares. The certificate contained the provision, if that is material, that the shares were transferable only on the books of the bank in person or by attorney on surrender of this certificate. A by-law of the bank also contained the same provision, we think, that the defendant cannot and should not be held liable as a stockholder at the time when the assessment was levied. The statute provides a method, as it is reasonable that it should, in which a stockholder who does not assent to the extension of the period of succession may withdraw from the association and have the value of his shares determined and paid to him. By pursuing the method thus prescribed the stockholder becomes a creditor of the association to the amount of the value of his shares as thus determined, and his rights and liabilities as a stockholder cease. In the present case the defendant gave due notice that she did not assent to the extension and of her desire to withdraw from the association, and selected one person to act as a member of committee of appraisal of which she duly notified the association and the directors selected a second member of the committee. Down to this point the requirements of the statute were strictly followed. A third member of the committee was not, however, appointed by the two thus selected and in consequence thereof no appraisal was made and the defendant did not surrender her shares, as it is implied by the statute that the shareholder shall do upon their appraisal and the payment of the value so determined. And the plaintiff contends that by reason there-

of the defendant remained liable as a stockholder to such assessments as might be levied. But it appears from the undisputed facts, from which it is agreed that the court may draw such inferences as a jury could draw, that for some months after the appointment of the two members of the committee, the defendant made in good faith all reasonable efforts but without success to have the third member of the committee appointed, and finally employed counsel whose labors were equally futile. From the fact that the bank suspended payment a little less than two years after the extension of the period of succession, it would not be an unwarrantable inference that Hinckley, the member of the committee selected by the directors and who was also the president, and a large stockholder, did not care to have such an investigation into the affairs of the bank as would have been necessary to appraise and determine the value of defendant's shares, and that the failure to appoint a third member of the committee was due to obstacles interposed by him to such appointment.

But, however that may be, it is manifest that the defendant did all that could fairly or reasonably be required of her to secure the appointment of a third member of the committee and an appraisal of her shares. There is nothing to show that she did not act in so doing in entire good faith and honesty of purpose, or that she did not perform every duty which the statute required her to perform to obtain an appraisal of her shares and payment of the value so determined. The case is not one where a stockholder has permitted his name to remain in outstanding certificates of stock and on the stock ledger of the bank as a shareholder, and has thereby become estopped as between himself and the creditors of the bank to deny that he is a shareholder. But it is a case where the defendant withdrew and never became a shareholder for the extended period of succession and had continued constant in her assertion that she was not and is not a shareholder. She has not tacitly or otherwise done or assented to anything inconsistent with that position. The fact that she did not surrender or offer to surrender her certificate of stock is immaterial. She was not required to surrender it except upon payment of the appraised value. Neither is it material that the bank continued to credit her with the shares on its stock ledger. It could not by so doing make her a shareholder in an association of which she had refused and continued to refuse to remain a member and from which she had used every means in her power to make her withdrawal effectual. Otherwise by crediting her with the stock on its books, the bank could constitute her a stockholder as to its creditors even after her stock had been surrendered. The general rule in this country, differing in that regard from the rule in England (Nat. Bank vs. Case, 99 U. S. 629, 25 L. Ed. 448) is that one who allows stock to stand in his name on the books of a banking association is liable for assessments so long as he permits the stock to stand in his name on the books and that he will not be relieved from liability notwithstanding he may have made an out and out transfer to another person unless the stock has been transferred on the books of the bank (Matteson vs. Dent, 176 U. S. 521, 530, 20 Sup. Ct. 419, 44 L. Ed. 571, and cases cited). In the present case, as already observed, the defendant did not allow or permit the stock to stand on the books in her name but did everything that she could to have the shares appraised in order that she might surrender them and receive payment therefor.

The general rule is moreover subject to an exception where a shareholder has transferred his stock and it is accompanied by an adequate power of attorney to make the transfer and the certificate and the power of attorney have been delivered to the officers of the bank for the purpose of having the transfer made, but the bank officers have failed to make the transfer. In such a case it is held that the party

in whose name the stock stands on the books has ceased to be a stockholder. (Earle vs. Carson, 188 U. S. 42, 22 Sup. Ct. 254, 47 L. Ed. 373; Whitney vs. Butler, 118 U. S. 655, 7 Sup. Ct. 61, 30 L. Ed. 266.) It seems to us that the case before us is more analogous to the cases last cited than to those in which a stockholder who permitted his name to remain on the books as a shareholder after he had transferred his shares has been held liable. It may be that the defendant could by proper proceedings have compelled the appointment of a third member of the committee and an appraisal of her shares, but we do not think that she can be held liable as a shareholder for not having done so. Whether she would have ceased to be a shareholder if all that she had done had been to send to the directors notice of her desire to withdraw and of her refusal to assent to the extension of the period of succession and nothing more, it is not necessary to consider.

She, in fact, did much more than that. Indeed, it is difficult to see what more she could have done than she did to sever all relations with the association as a shareholder for the extended period of succession. She might, it is true, have surrendered and sacrificed her stock; but she was not required to do so. To construe the statute as requiring her to do so would be offering a premium for obstructive tactics on the part of the officers of the bank when a shareholder gave notice that he did not assent to the extended period of succession and desired to withdraw and to have his shares appraised and to be paid therefor upon their surrender the amount so determined. We are of opinion that within a fair and reasonable construction of the statute the defendant had withdrawn from the association for the extended period of succession and had ceased to be a stockholder at the time when the assessment was levied and is not liable therefor. We see no error in the manner in which the court dealt with the case.

Verdict to stand.

PAYMENT OF FORGED CHECKS --FICTITIOUS PAYEE.

TRUST COMPANY OF AMERICA vs. HAMILTON BANK OF NEW YORK.

SUPREME COURT OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT, JULY, 1908.

Checks drawn upon a trust company were accepted by the drawee and deposited with a national bank and subsequently paid through the clearing-house. Later the trust company demanded of the national bank the return of the money so paid on the ground that all the signatures on the checks were forgeries. It did not appear who forged the maker's signature, but the evidence showed that the person who did so knew that the parties whose names were used as payees would never have any interest in them; *Held*, that the trust company was not entitled to recover, since it was bound to know the signature of the drawer, and the checks were in legal effect payable to bearer under the Negotiable Instruments Law.

McLAUGHLIN, J.: This is a controversy submitted to the court upon an agreed statement of facts under section 1279 of the Code of Civil Procedure. The controversy relates to four checks for $500 each, drawn upon the plaintiff, a trust company doing a banking business, and signed "Estate of Kate M. Wallace, Arthur B. Wallace, admr." At the time the checks were presented to the plaintiff for payment the estate of Kate M. Wallace was one of its depositors, having to its credit an amount in excess of all the checks which could be drawn out on checks signed by Arthur B. Wallace, adm'r, when countersigned by the United States Fidelity and Guaranty Company. The Wallace Estate had then been practically settled and the amount on deposit was ready for distribution among the next of kin of the decedent. The four checks in question were drawn without the knowledge or authority of the administrator, his signature being forged, and in each there was inserted as payee the name of some one of the next of kin whose distributable share of the amount on deposit with the plaintiff was greater than the amount

of the check or checks thus apparently payable to such person. The first check was dated Sept. 25, 1905, and was presented on that day to the United States Fidelity and Guaranty Company by a person unnamed, without the knowledge of plaintiff or defendant. The United States Fidelity and Guaranty Company, relying upon the apparent genuineness of the check, countersigned the same, and it was then, by some person unknown, presented to the plaintiff for acceptance and by it accepted, in writing. The name of the payee was then forged upon the back of the check as first indorser, and it was subsequently deposited with the defendant by one M. F. Kerby, one of its depositors, who was given credit for the same. It then bore the following additional indorsements: "Harvey J. Conkey, M. F. Kerby, A. Edward Fisher." Thereafter the defendant, through the New York Clearing House, presented the check to the plaintiff for payment, guaranteeing the indorsements, and it, relying upon the genuineness of the check, with the guarantee of the defendant thereon, now knowing that the indorsement of the payee was forged, paid the same in good faith. Substantially the same facts are true in regard to the second check, which was dated in November, 1905. The other two checks, dated in December, 1905, and January, 1906, were not presented to plaintiff for acceptance before payment and were deposited with defendant by Harvey J. Conkey, one of its depositors, to the credit of his account; otherwise the same course was pursued with regard to them. They were indorsed "Harvey J. Conkey" below the forged indorsement of the payee.

Upon discovering the forgeries the plaintiff at once notified the defendant, tendered back the checks and demanded repayment. In the meantime both Kerby and Conkey had withdrawn the proceeds of the checks, and the defendant, relying on plaintiff's acceptance and payment of them, had paid out the same in good faith. The defendant has refused to repay plaintiff the amount of the checks, or any of them, and the question presented is whether plaintiff is entitled thereto.

The general rule is that payments made under a mistake of fact may be recovered, although negligently made, but it is also settled that if the drawee of a bill of exchange to which the drawer's name has been forged accepts or pays the same he can neither repudiate the acceptance nor recover the money paid, since he is bound to know the drawer's signature (Price vs. Neal, 3 Burrows, 1354; Bank of United States vs. Bank of Georgia, 10 Wheat., 333; National Park Bank vs. Ninth Nat. Bank, 46 N. Y., 77; Goddard vs. Merchants' Bank, 4 N. Y., 147). It is also settled that where the endorsement of the payee of a bill of exchange has been forged subsequent holders obtain no title to it, and payments made to one who holds under such forged indorsements may be recovered (Corn Exchange Bank vs. Nassau Bank, 91 N. Y., 74; Holt vs. Ross, 54 N. Y., 472; Canal Bank vs. Bank of Albany, 1 Hill, 287). Therefore if all the indorsements on the checks in question had been genuine, the plaintiff could not recover. But if the maker's signatures had been genuine, and only the indorsements or any of them forged, it could recover. Having paid the checks, the plaintiff cannot now be heard to say that the maker's signatures are not genuine, or recover on the ground that the same were forged, and by reason of that fact it is suggested that the rights of the parties are precisely the same as though the drawer's signatures were genuine, and since the defendant never obtained good title to them, on account of the forged indorsements of the payees, the plaintiff is entitled to recover. There are authorities to support this contention (First Nat. Bank vs. Northwestern Bank, 152 Ill., 296; McCall vs. Croning, 3 La. Ann., 409). But it does not necessarily follow, because the checks were not indorsed by the persons whose names appeared on them as payees,

that the defendant, which received them in good faith and paid value therefor, can be compelled to repay their amounts to the plaintiff.

A leading authority on the subject is Bank of England vs. Vagliano Bros. (L. R., 1891, App. cases, 107), which reversed Vagliano vs. Bank of England (23 Q. B. D., 243, and 22 id., 103). This authority has been frequently cited, and is directly in point. There Vagliano Brothers were foreign bankers, doing a large business in various parts of the world. One of their clerks, Glyka, forged a large number of bills of exchange purporting to be drawn on the firm by one of its foreign correspondents, payable to another well known firm. He also forged letters of advice to accompany them, and caused them to be presented, the same as genuine bills, to Vagliano Brothers in the regular course of business. Vagliano Brothers, deceived by the cleverness of the forgeries, accepted from time to time bills aggregating over $350,000, which they directed the Bank of England, their general banker, to pay when presented. After bills had been accepted Glyka would obtain possession of them, indorse thereon the name of the payee, and collect the money from the bank, which charged the amounts so paid to the account of Vagliano Brothers. The latter, on discovering the forgeries, sued the bank to recover the amounts so paid out on the forged bills. The House of Lords held, reversing the decisions of the lower courts, that this amount could not be recovered. The decision is placed upon the ground that "since Glyka, although he inserted in the forged bills as payee the name of a well known firm, knew that such firm had no interest in the bills and never intended that it should, the payee was fictitious." And under the statute providing that "where the payee is a fictitious or non-existing person the bill may be treated as payable to bearer" (Bills of Exchange Act, 1882, sec. 7, sub. sec. 3), the bills of exchange were, in legal effect, payable to bearer, and the bank obtained good title regardless of the indorsements.

Some doubt was expressed in the Bank of England case as to whether the statute warranted such construction since the effect was to make the fictitiousness of the payee depend upon the maker's intention, but under our own statute no such question can be raised. The Negotiable Instruments Law provides (Laws of 1897, chap. 612, sec. 28): "The instrument is payable to bearer * * * 3. When it is payable to the order of a fictitious or non-existing person and such fact was known to the person making it so payable."

The correctness of the decision in First National Bank vs. Northwestern Bank (supra) may well be questioned, since the decision of the lower court—which was reversed by the House of Lords—in the Bank of England case was cited at length and relied upon. Whether this be so or not the decisions in our own state are entirely in harmony with the views expressed by the House of Lords. Thus in Coggill vs. Am. Exch. Bank (1 N. Y., 113) a partner drew a bill of exchange in the name of the partnership, payable to one Truman Billings and forged thereon the indorsement of the latter. The bill subsequently came into the hands of the defendant bank and the plaintiff, upon whom it was drawn, accepted and paid it. It was held that the plaintiff on discovering the forgery could not recover the amount paid from the defendant, since the bill was in effect payable to bearer and defendant had good title. Mr. Justice Bronson, who delivered the opinion of the court, distinguished the case of Canal Bank vs. Bank of Albany (supra), and said: "As the payee had no interest, and it was not intended that he should ever become a party to the transaction, he may be regarded in relation to this matter as a nonentity; and it is fully settled that when a man draws and puts into circulation a bill which is payable to a fictitious person the holder may declare and recover upon it as a bill pay-

able to bearer. * * * In legal effect, though not in form, the bill is payable to bearer. * * * The plaintiff probably accepted and paid the bill under the mistaken assumption that the indorsement was genuine. But he was not mistaken about the main fact which he was concerned to know, which was that the holder was the owner of the bill."

And in Phillips vs. Mercantile Nat. Bank (140 N. Y., 556) the cashier of the National Bank of Sumter, S. C., drew checks in the name of the bank, inserting as payee the names of customers of the bank, whose indorsements he forged. The checks thus drawn were sent to various firms in New York, and subsequently came into the hands of the defendant, which received them in good faith and charged them to the account of the Sumter bank. The receiver of the Sumter bank thereafter brought an action to recover the amount of these checks, and it was held that the same could not be maintained, since in legal effect the payees were fictitious and the checks payable to bearer, and for that reason the defendant obtained good title. The court, Mr. Justice Gray delivering the opinion, said: "The names be used were, for his purposes, fictitious, because he never intended that the paper should reach the persons whose names were upon them. The transaction was one solely for the fraudulent purpose of appropriating his bank's money by a trick which his position enabled him to perform. Concededly, if the names of the payees were of fictitious persons, the Sumter bank would have had no claim upon the defendant. How, then, can the transaction be said to assume a different aspect because the names adopted were of known persons? That the intention was to treat them as being of fictitious persons is manifest. * * * The fictitiousness of the maker's direction to pay does not depend upon the identification of the name of the payee with some existent person, but upon the intention underlying the act of the maker in inserting the name."

Under the Negotiable Instruments Law and the cases cited, I am of the opinion the checks in question, as between plaintiff and defendant, were payable to bearer. It does not appear who forged the maker's signature, but the subsequent history of the checks does not leave it open to doubt that the person who did so knew that the parties whose names were used as payees would never have any interest in the instruments. Just as in the Bank of England and the Phillips cases, in order to accomplish the fraud more easily, the names inserted as payees were those of persons to whom checks might naturally be made. Whether indorsing the names of the payees upon the checks was technically forgery or not it is unnecessary to consider; it has been convenient to thus describe them. Despite these forged indorsements, then, the defendant acquired good title since in legal effect the checks were payable to bearer Plaintiff having paid them to a holder in due course cannot recover upon the ground that the payees' signatures were forged.

Nor is this view at all in conflict with Shipman vs. Bank of the State of New York (126 N. Y., 318). There the plaintiff's firm signed a large number of checks, relying on the false statements of an employee, the names of the payees being in some instances fictitious and in others the names of existing persons. The employee, upon whose false statements the checks were made, then indorsed upon them the names of the respective payees, and the checks were thereafter paid in good faith by the bank upon which they were drawn. The court held that the plaintiffs could recover from the bank the amount paid, distinguishing the Bank of England case, and the distinction is obvious. In the former case the member of the firm who signed the checks in the firm name believed that in every instance the payee was a real person, to whom alone the check was payable, while in the latter case the person who wrote the maker's signature was a forger who knew that, so far as

the bills of exchange were concerned, the payee was fictitious. The court expressly recognized the rule that the maker's intention was controlling, saying: "The maker's intention is the controlling consideration which determines the character of such paper."

It is true that in many of the authorities cited the person guilty of the fraud was connected in some way with one of the parties, which may have affected the equities of the case, as was suggested in Shipman vs. Bank of State of New York (supra), concerning the decision in the Bank of England case, while here, so far as appears, the guilty party was a stranger to both plaintiff and defendant and they are equally innocent. But that cannot change the law as to the fictitiousness of the payees, and if it did I am of the opinion that any equities in the present case are with the defendant. The risk of paying out money upon a forged signature of a depositor is one which a banker must assume, and if the plaintiff had detected the forgeries when the checks were presented for payment it would not have suffered any loss and it is possible that the defendant would not.

I am of the opinion that the plaintiff has no legal claim against the defendant and for that reason the latter is entitled to judgment upon the merits, with costs.

All concur.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

EVIDENCE — SIGNATURE TO PROMISSORY NOTE—DENIAL ON OATH—ONUS OF PROOF—EXPERT EVIDENCE—ESTOPPEL—NOTICE OF EXISTENCE OF FORGED SIGNATURE.

ETHIER, ET AL VS. LABELLE, ET AL. (Quebec Reports 33, Superior Court, p. 39).

HEAD NOTE: The denial of his signature to a promissory note, made on oath by a defendant under art. 208 C. P., casts upon the plaintiff the onus of proving it, which he must do by positive evidence, as for any other matter of fact. The unsupported opinion of experts will not avail against the testimony of the party himself, especially when circumstances lend probability to his denial.

A party who is not clearly proved to have known of the existence of his forged signature to a note, is not estopped on the ground of neglectful standing by, from setting up the forgery against the holder.

STATEMENT OF FACTS: The plaintiffs sued two defendants for the sum of $1,021.50, being the balance alleged to be due on three promissory notes said to have been signed by the defendant, Pierre Labelle. Pierre Labelle swore positively that none of the signatures upon the notes were his and further denied having received any notice from the holders of the notes during their currency or otherwise requiring payment.

JUDGMENT (MATHIEU, PAGNUELO & HUTCHINSON, *J.J.*): The defendant is not estopped from denying the genuineness of his signature because the plaintiffs have failed to establish clearly that he had received any notice of the existence of such notes.

As each of the defendants has accompanied his plea with an affidavit as above mentioned, that the signature of Pierre Labelle, subscribed to each of these three notes is forged, the burden of proof has thereupon been shifted from the defendants to the plaintiffs, and it was incumbent upon the latter to prove the genuineness of the notes. See article 208 of the C. C. P. and see also Giguere vs. Brault. This was a Judgment of the Court of Review and was to the effect that it was incumbent upon the plaintiffs to prove the genuineness of the signature to the note.

Four expert witnesses were examined who gave their opinions as to the genuineness of the signatures on

the notes but they were confronted with the fact, which they all admit, that the signature, not only to the three notes in question, but to the said deeds, all differ one from the other in some respects, and they further admit that the signature of an illiterate man, such as the defendant, presents many variations, and that the character of the signature depends very much upon the circumstances under which the signature has been made, and that the genuineness of the signature of an illiterate man is always more difficult to determine, than if made by a person of education and familiar with the use of a pen.

Under the circumstances it is impossible to arrive at the conclusion that the plaintiffs have succeeded in proving to any degree of certainty that any of the notes has been signed by the defendant Pierre Labelle. The burden of proof rested upon the plaintiffs to do this and they have failed.

The judgment of the court in the first instance has dismissed the action of the plaintiffs, and I am of the opinion that this judgment is well founded, and should be confirmed with costs.

PRESCRIPTION — SHORT EXTINCTIVE PRESCRIPTION OF PROMISSORY NOTES—INTERRUPTION—PAYMENTS BY A CURATOR TO ABANDONMENT OF PROPERTY.

THE HOCHELAGA BANK VS. DEROME ET AL. (Quebec Reports 33 S. R., p. 383.)

HEAD NOTE: The extinctive prescription by lapse of five years of promissory notes is not interrupted by payments made by the curator to an abandonment of property of the debtor.

JUDGMENT (MATHIEU, *J.*): The action is to recover the balance of $1,460.00 due on seven promissory notes signed by the defendants. The defendant, Richard, confessed judgment for $150, being the amount due on one of the notes with interest and costs. The confession of judgment was refused and Richard thereupon pleaded prescription as to the other six notes sued upon. It appears from the proof filed, and the fact is not denied by the defendant, that the defendant, subsequent to the date upon which the six notes were signed, became insolvent and the curators to the estate paid three different dividends to the plaintiff on account of the notes.

The question now before me for solution is: Were such payments by the curators legal and authorized by the defendant, Richard, and had such payments the effect of interrupting the prescription then running in his favor and subsidiarily was any legal proof made of any such pretended interruption?

Taking up the latter part of the question it is clear that the plaintiff has not established by legal evidence that the defendant, or any one for him, and thereto duly authorized, did within five years previous to the date of the institution of the present action, make payments, on account of the plaintiff's claim, of such a nature as to carry with them interruption of prescription, and the verbal testimony, attempted on the part of the plaintiff and duly objected to on behalf of the defendant, was not legal and under the provisions of article 1235 C. C., in a commercial matter, such as the present one, in which the sum of money in question exceeds $50.00 no action or exception can be maintained against any party or his representative, unless there is a writing signed by the former, upon any promise or acknowledgment whereby a debt is taken out of the operation of the law respecting the limitation of actions.

With the exception of the note for $150, the plaintiff's claim within the meaning of articles 2260 and 2267 C. C. is outlawed and absolutely extinguished for the balance.

The confession of judgment is declared sufficient. The plaintiff's action

is dismissed for the balance. Costs of contestation of the action against the plaintiff.

EVIDENCE—CHECK ON A BANK ENDORSED BY THE PAYEE—PROOF OF LOAN.

ALLAIRE VS. KING (Quebec Reports, 33 S. R., p. 343.)

HEAD NOTE: A check on a bank endorsed by the payee is not evidence of a loan to him by the drawer. Of itself and unexplained it is a proof of a payment by the drawer to the payee.

STATEMENT OF FACTS: This was an appeal from the judgment of the Honorable Mr. Justice Demers dismissing the plaintiff's action. The facts are stated in the judgment of the Court of Review.

JUDGMENT (TELLIER, ARCHIBALD & BRUNEAU, *J.J.*): The judgment of the court was delivered by Mr. Justice Archibald.

The action was founded on an alleged loan of the plaintiff to the defendant, of $105.10.

The plaintiff attempts to prove his loan by the production of the check signed by him and endorsed by the defendant for the amount, and offers his own evidence in which he swears, that at the time of the delivery of the check to the defendant, the defendant told him that he was in need of money, and that he gave him the check as a loan. The defendant objected to verbal evidence to prove the loan, and pleaded that the check was not a loan; that it was given to pay an antecedent debt.

He puts the matter in this form: either the transaction in question was non-commercial, in which case, verbal evidence cannot be adduced to prove a contract over $50.00, or else, the transaction was commercial, in which case, it was prescribed by a prescription of five years.

The court below decided that it was not even alleged that the transaction was commercial, or proved to be commercial. It held that verbal evidence of the loan was inadmissible, but going further, the court held that the proof established that the transaction was not a loan, but a payment of an antecedent debt.

It has been conclusively established in proof that at the time when the check in question was given by the plaintiff to the defendant, a note of the plaintiff in favor of the defendant was coming due in the Eastern Townships' Bank, at Richmond, where the defendant had discounted it for the amount of $154.10, with interest at seven per cent.; and that at the same time as the plaintiff gave the check in question to the defendant he gave also another note of $50.00 and that, when the note of $154.00 fell due in the bank, it was retired by the check of $105.10 and the renewal note of $50.00.

Indeed that particular use of the check in question appears to be admitted in the factum of the plaintiff, but it is there alleged that by the subsequent transaction between the plaintiff and the defendant, the plaintiff did not get credit for the check in question. However, there is no proof of this allegation. The action which the plaintiff now takes is not broad enough to cover that particular view of the case. He sues upon a loan and it appears that there was at the time, no loan, but a payment. A check is not a presumption of a loan, it is a presumption of a payment, and the man who gives a check and who alleges that it represents a loan, must prove that fact without any assistance of the check itself, because by law, a check unexplained would be presumed to be a payment.

It seems to me that there is no doubt that the judgment under review is sound, and ought to be confirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

CHECK DESTROYED AFTER ACCEPTANCE.

BROOKLYN, N. Y., Aug. 27, 1908.

Editor Bankers Magazine:

SIR:—Would you kindly favor me with information as to the following:

Party A draws a check on Trust Company B. Trust Company B accepts said check payable at Bank C. Accepted check is then destroyed by party A. Party A requests Trust Company B to recredit to his account for the amount of accepted check. Can Trust Company B stop payment on said check at Bank C? Should Party A furnish Bond of Indemnity to Trust Company B? To what extent is Trust Company B liable on said accepted check?

WM. L. GREIS.

Answer.—When the check was accepted, Trust Company B became liable as the principal debtor thereon, and while it could stop payment at bank C, it would nevertheless be liable on its acceptance to any holder in due course. (Negotiable Instruments Law, secs. 112, 323.) If satisfied that the check had been in fact destroyed, so that it could not get into the hands of a third person, the trust company could safely comply with the request of it; but if there is any doubt on this point, then the trust company should require A to furnish a suitable bond of indemnity.

JOINT MAKERS — PRESENTMENT.

LEOMINSTER, MASS., Aug. 25, 1908.

Editor Bankers Magazine:

SIR:—A question arose over the duty of notary in regard to protesting a note similar to the following:

$100. Leominster, Mass., Apr. 1, 1908.
Three months after date for value received we promise to pay to the order of A. B., One hundred dollars.

C. D. ———
E. F. ———

If the notary was unable to find one party at his place of business, or he refused to pay, would it be necessary to present the note to the other maker before protesting it?

F. J. LOTHROP, *Cashier.*

Answer.--The Negotiable Instruments Law provides that "where there are several persons not partners, primarily liable on the instrument, and no place of payment is specified, presentment must be made to them all." (Sec. 78 Mass. Act.) Hence, in the case stated, as the note is not made payable at a particular place, presentment must be made to each of the makers, unless they are partners, in which case presentment to one would be sufficient. (Sec. 77 Negotiable Insts. Law.)

SURETY—WAIVE OF RIGHT TO DEMAND THAT SUIT BE BROUGHT AGAINST PRINCIPAL.

OWENSBORO, KY., OCT. 14, 1908...

Editor Bankers Magazine:

SIR: In Kentucky there is a statutory provision that enables a surety to give notice to the holder of a note or bill to bring suit, and if suit is not brought at the next term of court at which service can be had, the surety is released. But the note in its printed form has the following clause:

"The parties hereto, including the makers and indorsers of this note, hereby expressly waive presentment thereof for payment, notice of non-payment, protest and notice of protest, and diligence in bringing suit against any party thereto, either maker or indorser."

Has such a waiver as to "diligence in suing" ever been construed to hold absolutely any surety on such a note, although statutory notice had been properly given?

There are no decisions upon this point in our Kentucky reports, and if you know of any important Missouri, Illinois, or other decisions, without the trouble of any extensive investigation, I would be pleased if you would furnish me the reference.

Please publish your answer in that department of your MAGAZINE devoted to "Banking and Commercial Law."

C. C. WATKINS, *Cashier.*

Answer: We do not find that this question has been passed upon by either the Missouri or Illinois courts in any reported case. In Trustees of Schools vs. Southard (31 Ill. App. 359) it was held that a provision in a note that no extension of time of payment with or without the knowledge of the sureties thereon should release them or either of them, is not a perpetual waiver of their statutory right to demand that the payee proceed against the principal. But in that case, there was no express waiver of "diligence in bringing suit."

CERTIFICATE OF DEPOSIT DRAWN TO TWO PAYEES IN THE ALTERNATIVE.

LAUREL, NEBRASKA, Sept. 8, 1908.

Editor Bankers Magazine:

SIR: Would you be kind enough to answer the following legal question through your law department: Mother and son wish to place some money in the bank on certificate of deposit so that either one can draw it, it being understood that the money belongs to the mother. How can we draw the certificate so as to protect us in case of the death of the mother?

GUY WILSON, *Cashier.*

Answer: There is some difference between this sort of a deposit and an ordinary deposit in a savings bank. In a case of this kind, the title to the money passes to the bank, which becomes liable on its certificate of deposit, in accordance with the terms of that instrument. If the certificate is drawn in the usual form, it is a negotiable instrument, and in Nebraska is governed by the provisions of the Negotiable Instruments Law. (Laws 1905, Ch. 83; Comp. Stat. 1907, Ch. 41.) That act provides that the instrument "may be drawn payable to the order of * * * one or some of several payees." It could therefore be drawn payable to the order of the mother or the son in the alternative; as, for example, "order of A. B. or C. B." In such case the indorsement of either would pass title to the paper, or authorize the bank to pay the same; and the indorsement of the son alone being sufficient for this purpose, the death of the mother would be no reason why the son could not transfer the certificate or collect the money thereon. He might have to account to his mother's estate for the proceeds; but his liability in this respect would not concern the bank. If a note should be made payable to the order of "A or B," there could be no doubt that under the statute, B could demand payment after the death of A, and that payment to B would discharge the maker. But a certificate of deposit is in legal effect a promissory note, (Pardee vs. Fish, 60 N. Y. 265; Hoew vs. Hartness, 11 Ohio St. 449; Klauber vs. Biggerstaff, 47 Wis. 551), and the same rule would apply. We think, therefore, that in the case stated in the inquiry a bank located in Nebraska would be fully protected by issuing its certificate of deposit payable in the alternative to the mother or the son, and that no provision for survivorship would be required as in the case of a savings bank deposit.

NEW BANK IN THE PHILIPPINES.

THE Agricultural Bank of Manila, founded by the Government, with a capital of 1,000,000 pesos, has begun operations. Secretary of Finance G. R. Araneta is president of the bank and Insular Treasurer F. A. Branagan its manager. Real estate and harvested crops are the only collateral which will be accepted by the bank; interest will be paid at the rate of 10 per cent. The first loan was made to an American farmer of Tartao province. It is believed that the bank will be an important factor in the restoration and promotion of the agricultural industry.

STANDARD COIN OF CHINA.

AN edict issued October 5 establishes the Kuping tael as the standard coin of China. The tael and the half-tael will be 98 per cent. fine, and the smaller coins 88. The Mexican dollar has been legalized pending the preparation of the Kuping coins.

INTERNATIONAL BANKING.

JUST now there is a revival of interest in the extension of American banking connections with foreign countries. This will render of especial timeliness the following address delivered at the recent convention of the Pennsylvania Bankers' Association by Mr. S. D. Scudder of the International Banking Corporation, New York city:

The first part of my talk will be an appeal for a saner banking system in this country, one similar in general form to that which has proven successful in all other highly civilized lands. The latter portion of this address will endeavor to show how inseparable, after all, we are from the rest of the world, and how dependent on the general welfare of the family of nations. If a study of international banking teaches anything, it shows clearly the difference between the conditions which prevail in the United States after a panic compared with those arising abroad from like causes; as also the great contrast in the remedies employed to check or minimize such distressing episodes. Our system here turns out to be of such a nature that financial upheavals actually create factors which tend to keep our panics going until relief comes from abroad; whereas in Europe just the opposite happens, all relief there coming directly from within and not from without. In the old country a money stringency means prompt and reasonable aid by the whole nation to legitimate enterprises and a shut-down for those inclined to speculate or extend; but in the United States the very reverse takes place. There is absolutely no favorable united action here; on the contrary, our nation becomes unconsciously antagonistic towards the banks, thus endangering its own vital forces and compelling all financial interests to go on the defensive. For several months after the United States panic of 1907, those willing to run the risk of call or short-time loans could secure money for speculative purposes, but legitimate conservative enterprises either could not get any funds at all or else were quoted prohibitive rates and terms.

Inadequate Banking Machinery.

"Even at this date—eleven months after the panic—you will observe on the part of banks throughout the length and breadth of this country a decided tendency towards restricting term-loans and a steady but enormous building up of cash reserves to the great detriment of legitimate local customers, merchants and manufacturers and crop and cattle raisers, who, because of the very nature of their business must always have definite and fixed periods for their obligations. But after all, has not been and is it not now a perfectly natural action on the part of our banks, and one for which they cannot be blamed under our peculiar system? Certainly; and simply because there is no such sure outlet for their assets here which the European banks possess. There is in this country no machinery whereby all the other sections can unite in helping their less fortunate neighbors. It is, as you know, quite the proper thing for the largest foreign banks—the money center institutions—to borrow by rediscounting. This in the German Empire is done through the Imperial Bank of Germany; in France through the Bank of France; in Great Britain through the Bank of England, and so on right down the line of long established nations. Thus it comes to pass in those countries that the fury of a panic's tidal-wave is much more gently and noiselessly received; and, as it were, harmlessly spread over the wide expanse of a graduated beach; while in the United States it dashes up against the rocks, or rather up against an artificial barrier, in such thunderous tones and with such a mighty frothy demonstration as to make the bravest of us feel the insecurity of our defences. I say against an artificial barrier because you all know that when a country bank in the United States rediscounts its bills with an American money center institution, that is the end; there is no turning, no further outlet. The money center bank has really to lock up these bills, being unable even under the most panicky conditions to use them elsewhere, no matter how good they must be; thus coming to an abrupt stop in its ability to help the inland bank. Even if it were the "proper thing",—where, I ask, could a first class solvent bank of New York City, or Boston or Philadelphia or Chiago, turn to with its full portfolio of undoubted commercial bills representing the legitimate, pulsating business of our prosperous country? Only to its rivals, which would probably mean its certain death. If I stood before you as a candidate for election, and if this convention were the whole of my party, threatening here and now the loss of every vote did I even dare to suggest anything that sounded like a centralization remedy, I would not recede an inch but should declare in still firmer

voice that until we come to the Old World's system of banking, modified to suit our great land of individual committees, we will be in constant financial danger as a people.

TEACHINGS OF HISTORY.

"Mr. Chairman, we are willing to sit at the feet of History and learn from the experience of others regarding warfare and art, regarding the government of men and other things innumerable; why then not about finance? Shall we deny it, that in this respect also there are things across the water which have been time-tried—weighed in the balance and not found wanting? Oh, that I could speak to the people with the simplicity of a child; I should convince them that, far from any 'centralizing tendency,' the effect of such a commonwealth or reserve discount bank in this country would be just the opposite of centralization.

"What we bankers need is a little less fear of our convictions, with a little more tact added. The name 'Central-Bank' strikes terror to the upholder of state rights because he thinks this is another scheme to foster Federal power upon the land, at the sovereign State's expense. He doesn't stop to consider that the very nature and extent of our country and of its institutions make it impossible to have such a central bank here as would benefit one section at the expense of any others; and that subdivisions of a commonwealth reserve dis-

S. D. SCUDDER

Assistant to President, International Banking Corporation, New York.

count bank, located at all important centers in the United States, would of necessity give equal privileges to all in proportion to their holdings and needs. Every banker should turn himself into a teacher and patiently demonstrate these things to his depositors, showing them what a fallacy is our present 'reserve' system which, while intended to help in a critical time, is actually a menace to general business and a useless tie-up of cash because of the absence in this country of real reserve facilities, because of the absence here of that bank of last resort which is nothing more nor less than the solid credit and worth of the whole nation. Such an institution would be the greatest security the public could have. And the knowledge alone that every reputable solvent bank in the United States was in closest touch with such an institution would in itself inspire that confidence in our whole financial system without which the strongest bank in our midst is in constant peril.

The Danger Line of Credit.

"What do we know in this country today about 'the danger line of credit?' Nothing. Who ever thinks of it here or figures on it as they do in Europe? In fact no accurate estimate can well be made under present methods, with our reserves daily shifting from lock-up point to lock-up point all over this country and being continually duplicated. Think of $10,000 deposited in one of your Pennsylvania country banks being half taken up and stowed away in our beautiful national legal 'reserve locker' by the time it settles down to rest in Philadelphia via Pittsburg, or in New York via Albany. The thought of such a system is enough to make the Gods weep; especially when one contemplates that the more the people desire to use that 'reserve,' the tighter the lockers' combination-lock gets. Away with such folly. Quit duplicating reserves; stop tying them up. Put them away only in one place, viz: in a general reserve bank owned by the nation and located in every state if necessary; where these reserves can be 'used' when needed, and where the credit of the entire nation will be practically guarded by the united money of all the people. When that time comes, Mr. Chairman, it will not be requisite to even discuss the pros and cons of any proposition looking to a guaranty of the people's deposits.

International Banking Defined.

"I have been asked to say a few words about international exchange from an American standpoint. To my mind, the correct definition of international banking as understood in its true commercial sense is as follows: 'Those facilities which aid in the financial settlements necessary for the exporting abroad of local products, and the importing of foreign goods.' Or if desired in simpler language, 'Banking facilities for the exporter and importer'. The term 'foreign exchange' seems to be a great mystery to some of our people, and to the average American living at a distance from seacoast towns it appears to be a nuisance and often even a bugbear. Yet after all it is a very plain proposition. A foreign bill of exchange is nothing more than a check or draft on some foreign bank or firm. It is exactly like drawing on a local bank; excepting that the paper reads in foreign money instead of dollars, is more frequently at a few 'days' sight'. (Say 30, 60, 90 days) instead of reading 'on demand', and is often accompanied by bills of lading, invoices, insurance certificates and other evidences of shipment. Supposing you send a lot of cotton to Europe valued at say $25,000 under an agreement whereby a certain Liverpool merchant will pay for these bales 60 days after the shipping documents are presented, your draft on him will be written out 'at 60 days' sight' and say for 5,000 pounds Sterling. Should your instructions be to let the Liverpool party take charge of your cotton on arrival there, permission would be given to 'deliver shipping documents on acceptance'; the draft thus becoming due and payable 60 days from such acceptance date. Otherwise the bills of lading, etc., are held by the Liverpool collecting bank until actual payment of draft. Meanwhile you in America desire the use of cash representing this cotton cargo's value and you must have it in dollars to pay those who have raised the product. Thus it comes to a sale of your 5,000 pounds Sterling draft to some bank or banker on this side of the water for so much American money. He charges you not only interest for the 60 days, but in addition he charges for the use of these funds while in transit. This is all figured in the rate of exchange when converting pounds into dollars. The draft being promptly paid, your American banker then finds that his funds are in England, not in dollars—but in pounds Sterling. He can get them back here in one of two ways: Either by having the actual money sent over, or else he can purchase paper in England similar to that which you sold him but representing something which is being brought to this country or which has already been sent and has thus created a credit here. Thus we see an international banking transaction both ways: One in your aid as an exporter and the other rendered in similar service to the importer. It must be clear that if by force of circumstances your bankers are com-

pelled to bring the actual money back to America, this becomes a dead transaction on the return trip; in which case you and not they have to pay the forfeit or expense. This would certainly happen, would it not, if some law were promulgated forbidding the importation into this country of certain goods desired here?

A Practical Illustration.

"A few years ago I heard an illustration which appealed to me as being lucid although it was simple; and at the risk of being considered elementary I will quote it: Imagine a world composed of but a few islands of the sea, on each of which only one thing is grown. The islander with his boatload of cocoanuts paddles over to get his neighbor's beef. He finds, however, that his cargo is insufficient to obtain what he wants. About his neck there happens to be strung a row of pretty shells, which after much argument he is induced to give up with his cargo in settlement for the livestock. This is the 'balance of trade' owed by him, which he is able to pay on the spot,—thanks to that primitive home banker who has strung the necklace of shells and has bidden the trader take same on his bartering way. Now if, on the latter's return home, a portion of his beef-purchase is sold or traded for sufficient shells to pay his banker (including a few more shells for interest and commission), we have the local as well as international transaction complete and every one happy in a deal which has been natural and mutually beneficial. Let us assume, however, that the shells had been gotten by this trader from a neighboring island instead of from his own banker. In that case one more international transaction would become necessary before this cocoanut merchant could consider himself squared. He must then pay his tribute abroad, in commission and interest.

"I have friends in a foreign port who would gladly procure there, if they could, some exchange in dollars with which to pay for goods bought from their Boston house. But that foreign country sells and exports annually so small a quantity of merchandise to the United States, because of our prohibitive tariff laws, that no such exchange is to be had and thus it happens that settlements even for goods imported there from the United States must be made through London. My friends settle with their own house to Boston by purchasing pounds Sterling drafts on London. The Boston people, when they receive these drafts, then sell them to a foreign exchange banker for so many dollars. Thus London gets a tribute on business which never originated there, on goods which never went there and a settlement which but for our prohibitive policy would naturally have been made direct. Is it not clear that we Americans must stand all the loss on such transactions? Is it not plain that in quoting competitive prices, this tribute abroad must be taken into consideration?

Illiberal Trading Laws.

"You may ask: 'If an American bank or its branch were located there, would Europe still collect this tribute?' I reply, yes, under our present prohibitive-trading laws, the larger portion of all commissions must necessarily go abroad; because, in the absence of sufficient export trade from such a place to the United States, any American bank or branch there would itself be compelled to settle with its United States head-office through Europe. The inverse argument also holds good in such a case: Wherever such a foreign country is disposing of or we will say clearing most of its foreign goods, there also it will likely purchase most of its wants. And so it happens that London and Paris and Berlin are today capturing the world's most profitable trade, and levying their banking tribute on every portion of it because of laws permitting their own merchants to trade and barter in the markets of the world. Leave the bank entirely out of this deal, and see how it works with the exporter who is rich and does not have to borrow. Supposing, for the cotton you take abroad, it were permitted to bring back some goods to be sold here at a reasonable profit, wouldn't your cotton shipment and the money it represents 'be earning its way back' so to speak? But our high protective-tariff forbids the importation, and so you are compelled to ask that gold be sent back, not only at great cost and loss to you in dollars and cents, but also in ultimate loss of trading opportunity with the people to whom you have been selling your cotton. Is it to be wondered at that all the nations of the earth are more and more resisting our efforts to take their gold? Is there anything astonishing in the recent world-movements to beome some day independent of our products? Already we see cotton fields springing up where none were thought possible before. Wheat-growing and cattle-raising are now going on in countries which up till now we have thought absolutely dependent upon our supplies. Our people should awaken to the danger that threatens. In our immense prosperity, brought about chiefly by our wonderful natural productiveness (some say also by our ingenuity, but that is fully counterbalanced in my opinion by our extravagance and wastefulness) we have forgotten the rule 'Live and let live'.

Do We Want the Earth.

"We are continually applying the law of addition in our treatment of. the rest of humanity instead of remembering that there must also be division. Not that I advocate any general policy which would create balances of trade against us. Just the reverse. I want to see the balance of trade increase reasonably, but naturally and not artificially in our favor. This I insist cannot result if we continue the policy which our people are following, and apparently with more and more blindness as the years go on. I claim that the crisis which the whole world is now passing through is due largely to our actions here in America during the past three decades. The impression has been gradually gaining ground that we want the Earth. And when you consider that we are simply one member of a great and inseparable family, this is a mighty bad thing to allow into the heads of the rest. Not only has this feeling created a general resistence to those of our efforts which tend towards depleting the others of their gold; but as always happens in a closely allied family, the laws of human nature have produced initiations of our action among the rest of the family. This general movement 'to sieze and to hold', amounting in recent years to a great wave of greed on the part of every nation, has had the effect of straining the world's credit and confidence almost to the breaking point. When every member of the family has a feeling that the other 'is going his full gait', at once there commences to spring up a doubt in the mind of each as to the other's ability to keep it up. Then it is that we see the beginning of that general withdrawal of confidence from each, which is bound sooner or later to precipitate a world's crisis. The upbuilding of an artificial wealth in this country by an excessive high tariff, for a time did seem attractive; but the bringing to light of actual facts has now disillusioned thousands of conservative and patriotic citizens among whom can be numbered many old time protectionists.

High Protection and International Trade.

"My opinion is that high protection, if persisted in, will finally kill all our remaining international trade facilities. Gradually but surely, if our present artificial system is continued, we will be driven within our own walls by the other members of the family of nations. Comparatively few in this country outside of those who live on the coast realize that the greatest war of history is now on. Not a battle fought with powder and swords as of old, but a war of trade and barter; a peaceful war as compared with the bloody conflicts of bygone days and ages, but none the less decisive;— a struggle which will determine the fate of many peoples. That nation can win, which, possessing by nature a world of resources, has but to adopt the world as its field of distribution.

"Although an American by birth and long ancestry, I had the opportunity of getting my initial financial education in an English or rather in a Canadian bank. Very often in those days while trying to grasp the meaning of that great world's business which was being done by the Bank of Montreal and similar institutions of foreign origin, I wondered why no large home organization then existed in the United States which was especially fitted for work pertaining to those transactions daily taking place between merchants of the old world and those of our own country. I thought it strange that while every leading nation of the world had branch banks or banking representatives here, not one of our financial institutions was (at that time) represented abroad. It was a constant source of astonishment to me that the American merchant and the American manufacturer had not that financial backing abroad which was vouchsafed to the business men of other lands by their own banks. Not that there was any scarcity in the United States of private firms and banks engaged in international banking. But I found that almost without exception these firms and even the banks either were of foreign origin, possessed a foreign partnership, or else represented on this side some foreign bank or banking house. At the same time it was strongly impressed upon me that by far the larger portion of all strictly commercial international transactions on this side pertained to exports and not imports. And so the conviction came, and I think is entirely correct, that the reason for the existence in our land of these great foreign banks and foreign private houses was primarily because of the staple export trade which we were furnishing to these countries. But it is not difficult to recognize the great difference between our exporting staples in bulk such as wheat, cotton, etc., say to a comparatively few points across the water, as compared with that real export business which contemplates the scattering of a nation's manufactured articles all over the trading world.

With the exception of occasional and fitful 'dumping periods' American merchants and manufacturers are really exporting comparatively little of this latter class of goods abroad. How much better and more profitable for us if retaining our raw materials and making them up into manufactured goods we could 'trade' the same off for something we really needed here, and which we are probably now buying for cash or its equivalent abroad. Think of selling our cot-

ton to China via London and Manchester and Liverpool. That is exactly what is taking place today under our narrow trading laws. And are we getting the 'cash' for that cotton after all? Not much. London sees that we need tea for one thing; so China is told to send us tea, thus creating a credit here which helps to cancel London's cotton debit. And there London reclines, calmly gingling the cash commission so easily earned both on China's tea and America's cotton. 'What fools we mortals be!' We think only of gold. London cares nothing for gold excepting as a 'reserve for use' in time of stress, or as a big stick with which to flay its commercial enemy in times of panic. Just as with a broadminded individual, so with a progressive nation; actual money is valuable only for its use. As long as its reserve account is full, such a nation much prefers 'trade' to 'gold'. Here is an example: London lends Brazil a sum of money for the development of the great Brazilian coffee plantations. The interest paying period arrives: We will say that London's market has enough coffee and London's reserve has enough gold. Why should London take either Brazil's coffee or Brazil's gold? London wants cotton, but why pay America gold for it? Brazil's coffee is simply shunted over to the United States. This cancels Brazil's debt to London and London's obligation to the United States. Each country gets what it wants. But London is once more ahead in the commission game. I have consulted history and find that every nation aspiring in turn to a world's leading influence, became first a trading nation; simultaneously taking its place as one of the world's bankers. Such an influence was Venice until Genoa siezed the reins of commerce and banking from her. Florence and Rome had previously possessed the business of the world, but lost all commercial and banking control because they were content with their local spheres.

Early Banking.

"During the earlier days there were two distinct classes of banking: The first, or primitive banking, consisted of a sort of pawn business; goldsmiths, as they were termed in England, far back before the teens of history. This class gradually developed into what might be called the local bank, and was first typified as a separate and distinct business by the great banking houses of the Florentine age. The Medicis conducted their banking transactions not so much with a view to aiding commerce by advances upon merchandise, as for the loan of money on local collateral and pledge. A little later, just at the dawn of the age of discoveries, the other class of banking was crystalized in the establishment of the Bank of Venice. The many wars which Venice prosecuted and which were the means of bringing her into closer touch with the then known world, made necessary an institution which performed in its crude way the functions of the first known organized international bank. From that time on the Florentine or local banking system began gradually in Europe to become absorbed by or rather merged into the larger and broader scope of international effort. And thenceforth we see the nations of Europe vieing with each other for a world's business. Genoa watched the signs of decay in the sister city and snatched the lead from Venice. Amsterdam and then Hamburg, Bremen and Antwerp each had its day, until London, Paris and Berlin secured the world's commerce and consequently also the world's banking.

"If you look back upon history, you will find that particular nation in the foremost ranks of banking which possessed the most liberal trading laws. The nations of the earth concentrated their transactions at those clearing points. Every flag was seen floating in those harbors. Just here it is interesting to note that Amsterdam was the first to devise a reserve bank scheme by which all bills of exchange drawn on Amsterdam were by law made 'payable only in Bank of Amsterdam notes.' This made it necessary for merchants and business men to deposit their coin in the Bank of Amsterdam so that they could get the notes with which to pay their bills. This plan proved a great boon and impetus to business because before that there was a confusing assortment of coins of all nations. Merchants were at their wits ends to know how to figure out actual values. The Bank of Amsterdam stepped in and took all the coin at face, issuing its own notes in lieu thereof. As long as this institution was honestly managed and its coin not loaned out or diverted for foreign speculation or promotion schemes (as afterwards actually happened) its success was complete. And today the Bank of England, the Bank of France and the Imperial Bank of Germany, (with improvements to meet modern conditions) are in imitation of that general international banking scheme first inaugurated by Venice and Genoa and later brought up to more perfect condition at Amsterdam.

Lack of Progress in Banking.

In this land of ours, we have progressed but a short step beyond the first mentioned banking plan. Like the Florentines, we are as yet but a nation of local money-lenders. Occasionally we take a hand in the financing of a foreign loan but only in the way of investors not because of our interna-

tional or trade relations. I wish to say nothing in this address which even remotely might be construed as personal or selfish. But this much needs to be told when the history of banking is written in the United States: The International Banking Corporation, which institution I have the honor to represent here, is today the only organized home effort looking to the upbuilding of American trade and acting as a direct aid to American commerce abroad through first class banking facilities. But after all its contribution is only a drop in the bucket to what could be done in that direction by American money, brains and energy under more liberal trading or reciprocal laws. Last year our corporation turned over many millions; but what a bagatelle after all as compared with the billions on which as a nation we yearly pay tribute to the old world,—through its banking agencies in every city and town of this land. It need not be claimed that we are too young a people to help ourselves in this. Our youth has never before been a bar to our achievement. Neither can anyone doubt our supremacy in natural resources and wealth. The answer to the strange condition of our servitude in this respect is found in the same cause which puts us to shame as a maritime nation, although we have a coast line exceeded only by that of Great Britain through her colonies. The reason why our own products are today being carried by the ships of other peoples is to be found in the same cause which holds us down and stamps us as a nation of local bankers and local traders instead of 'world-traders'. We need a broadening of our view, a greater realization of our power and ultimate destiny. What was large yesterday is small today; what was far off, is now near; what was new and strange, what seemed and was difficult in the beginning of our era as a nation, is now old and familiar and easy. We are no more the child of the nations. We are the grown son and heir. We have become rich through our wonderful producing powers; and that, too, in spite of our past mistakes. But, like the Florentines, we are still inviting the others to come and borrow of us and buy of us. If we would go forward in the next step, which all history bids us take in order to gain our position, we must become a nation of traders as well as producers. No such thing as politics should be injected into a convention of this kind; but I think no one will object if I refer to those stirring words of our martyred President McKinley, who in his last great speech at Buffalo warned us as a people that if we expected to continue producing we must also trade. 'If you expect,' said he 'to continue selling, you must also buy.' Father of protection though he was, McKinley had in him the elements of a broad and clear statesmanship; anxious though he was to foster American industry, he saw that the pendulum in order to produce the right effect must swing only so far and then gradually return to center. He knew a plan whereby that policy which was deemed necessary to create here a 'nation of comfortable homes', could be preserved and actually strengthened by a forward step in our career. The time has arrived, Mr. Chairman, when it is necessary to make the purchasing power of your money and mine equal to that possessed by the most favored citizen of the world. And he would be small patriot indeed who could not with joy unbounded hail the coming of that day, when our own ships will carry our own wares to distant shores, and when our own banks will handle our own business in foreign lands."

SAVINGS BANKS IN LONDON SCHOOLS A FAILURE.

SAVINGS banks in the London, Eng., schools are a failure. According to the latest official return there were last year 463 banks in operation in 271 separate schools. A sum of $182,470 was paid in by 63,309 depositors, and $183,150 was withdrawn, the balance in hand of $91,410 at the end of the year being $480 more than that with which the year began. Although the banks are undoubtedly popular, there is some difference of opinion as to whether they fulfill the purpose with which they were originally established, which was to teach the children habits of thrift. The fact that, as a rule, nearly all the money paid in is withdrawn in the course of the year is said by some critics to suggest that the banks are used for the convenience of the parents or in order that the children may save up small sums to spend in the holidays or at Christmas.

RAILROAD SAVINGS BANK.

IN order to encourage thrift among its employees the North Western Railway Company of England some years ago established a savings bank at which deposits as low as sixpence are received, four per cent. interest being paid on accounts up to 200 pounds and two and one-half per cent. on sums in excess of that amount. Last year 1,040 new accounts were opened and 104,672 pounds deposited. The total amount now standing to the credit of 11,003 depositors is 893,762 pounds, representing an average sum of 81 pounds, 4 shillings, 6 pence for each depositor.

CURRENT OPINION

BRYAN'S ABSURDITY.

REPRESENTATIVE Charles N. Fowler, of New Jersey, chairman of House Committee on Banking and Currency, in an interview in the Journal of Commerce and Commercial Bulletin regarding the bank deposit guarantee plan, said:

I doubt whether there is any one who is more utterly and absolutely opposed to Mr. Bryan's preposterous and ridiculous scheme for guaranteeing bank deposits than I am. It is just as absurd as it would be to pass a law requiring all life insurance companies to insure all lives without any examination of those insured, or a law requiring fire insurance companies to insure all risks without examination of the property. Rejection and condemnation must necessarily follow an understanding of his scheme which was put forward as a vote catcher, and not because he understood the economic principles and practices of banking. Indeed, I do not recall his application of any economic principles during his long public career that have been sound.

But Mr. Bryan's proposition is no more untenable and superficial than are the twelve reasons given by the American Bankers' Association at Denver recently. Every one of the grounds advanced by that association apparently against the principles of equal protection to all bank creditors, noteholders and depositors will dissolve as quickly as Mr. Bryan's fallacy upon a clear understanding of the principles involved, and a full appreciation of the financial and currency conditions existing in this country at the present time.

Until the bankers of the United States are authorized and compelled to supervise themselves and made responsible for themselves we shall not secure the reforms that are essential to the protection of all bank credits, to the more steady and permanent employment of labor, the protection of the manufacturer, the merchant and commerce generally against our annual spasms and periodic cataclysms.

This principle of protecting bankers against themselves and business interests against the consequences flowing from the practices of some bankers, is now in operation to a degree in the city of Chicago, St. Louis, Kansas City, and possibly some other commercial centers, where the clearing-house committees have their own corps of bank examiners for the mutual protection of the bankers of their respective cities.

In a recent interview Mr. James B. Forgan, one of the greatest, if indeed not the greatest commercial banker in the United States, is reported to have said:

"At one of the banquets I attended in Europe every one of the speakers blamed the United States for the distress caused abroad, and they attributed it all to our banking system. I could not reply to the strictures of the Europeans simply because I knew they were deserved. I sat there and took it all as the representative of a faulty system must."

Let us remember two fundamental and essential propositions:

First—Since our standard value is gold, nothing is fit for bank reserves except gold.

Second—There is absolutely no difference between a true bank note and a deposit subject to check; both are equally a demand obligation of the bank, and it is only a matter of convenience to the creditor of the bank whether he is a note holder or depositor. If he has the notes of a bank he can, by depositing them, convert them into a deposit subject to check. Why should he not with equal facility convert his deposit into bank notes precisely as the customers of the Bank of France are doing every day. The amount of the debt of the bank and amount of the reserves remain the same in both cases. The conditions remain identically the same except that the convenience of the public has been perfectly served.

Bank Reserves Should All be in Gold.

The following ends should, and must, be attained if our banking system is to become what it ought to be to best serve our business interests, and what its importance in the commerce of the world demands:

First—Our bank reserves should all be in gold.

Second—The requred amount of reserves should be maintained.

Third—Our currency should be bank notes redeemable in gold coin and always directly related to business transactions. Currency should never be issued by the Government because Government issues cannot be related to current business transactions, and must always mislead the public and are certain to be so abused that disaster will certainly overtake the Government issuing its notes because no natural or economic law determines the amount of the issue.

Fourth—The savings accounts of our banks should all be kept separate and apart from the commercial accounts, and invested strictly in accordance with law or prescribed rules.

Fifth—All the trust funds held by banks should be kept separate and apart from all other accounts and disposed of in strict accordance with the laws of the respective states or of prescribed rules.

These things can never be secured without unifying and co-ordinating the banking interests of the United States, which cannot be accomplished if we start on the downward and fatal course of issuing United States notes to meet business requirements in accordance with the Democratic platform, and fatuously and foolishly taxing all banks to insure deposits in accordance with the Bryan plan, which is just as uneconomic, shallow and mad as his free coinage scheme at the ratio of sixteen to one, and his proposal to destroy our great railway systems through national and state owner-

ship, and all his other hairbrained schemes touching economic questions.

The consummate wisdom invariably shown by Mr. Taft in relation to all the great problems he has so successfully met and solved, when applied to the financial and currency question, which is the greatest question now before the civilized world, will lead us unerringly to the right solution, and through his guidance we will secure for all our bank creditors, for all our business interests and American commerce, a scientific financial and currency system, which ought to be the best in the world.

SINGLE NAME PAPER.

JAMES G. CANNON, vice-president of the Fourth National Bank of New York, was the chief speaker at the Illinois State Bankers' Convention in session at Chicago October 13. His subject was "Buying Commercial Paper." In part Mr. Cannon said:

In the evolution of the banking and credit system during the last twenty-five years, the practice has grown up of firms and corporations borrowing money on the open market on their single name paper. It used to be the fashion to criticise single name paper, as it was assumed that raising money in this way was a kiting operation. Many things have brought about a change in public opinion and to-day two-thirds of all the paper purchased by our banks, it is fair to say, is single name. Single name paper makes no pretense to being anything else than it appears—a simple promise to pay, based on a statement of facts which every intelligent banker should try to obtain for himself.

The system of borrowing on single name paper is particularly confined to our American market, because our banking system is so entirely different from the European banking systems. In European countries with their system of central banking and their public discount markets, the merchant draws his bill on a bank to whom he is accredited, this bill is accepted by the bank, and has become a current article of sale in the public discount market. In the absence, therefore, of this system of drawing on a bank with whom the client is accredited, the merchant in this country is obliged to issue his single name paper and the single name paper has by necessity and by experience become one of the most valuable assets of the commercial banks of this country.

I think it may be well to also consider from an historical standpoint some of the reasons for this method of borrowing.

The open market for single name paper originally was confined to New York city, with considerable purchases of paper in Boston, Philadelphia and throughout the Eastern States and it has only been during the last ten years that the market for this class of investment by banking institutions has broadened. Now the banks of the West and Southwest have entered the field as commercial paper buyers, and the only part of our country at the present time which does not make investments of this character to any great extent is the Southern States.

At first the selling of commercial paper was confined almost exclusively to the dry goods trade in New York, as many houses in that line were old and well-established, and those especially which did a large commission business and which made large advances to their mills were obliged to seek credit outside of their regular banks. The banking resources of the country were not then so large as now, and no individual bank could give the dry goods merchant in New York or Boston any considerable line.

It, therefore, became the practice of some of the best men in that trade in New York to call upon banking institutions other than their own and offer their concern's paper, either in the form of acceptances of their mills or straight single name paper. At that time all of this business was done on what might be called "acquaintance sale." One bank officer or director was acquainted with the merchant who wished to sell his paper and when the bank had money to invest the officer or director would either ask the merchant for his paper or that gentleman would call and offer his notes.

THE POWER OF CAPITAL.

WOODROW WILSON, president of Princeton University, in address before convention of the American Bankers' Association:

The most striking fact about the actual organization of modern society is that the most conspicuous, the most readily wielded, and the most formidable power is not the power of government, but the power of capital. Men of our day in England and America have almost forgotten what it is to fear the government, but have found out what it is to fear the power of capital, to watch it with jealousy and suspicion, and trace to it the source of every open or hidden wrong. Our memories are not of history but of what our own lives and experiences and the lives and experiences of the men about us have disclosed. We have had no experience in our day or in the days of which our fathers have told us of the tyranny of governments, of their minute control and arrogant interference and arbitrary regulation of our business and of our daily life, though it may be that we shall know something of it in the near future. We have forgotten what the power of government means and have found out what the power of capital means; and so we do not fear government and are not jealous of political power. We fear capital and are jealous of its domination. There will be need of many cool heads and much excellent judgment amongst us to curb this new power without throwing ourselves back into the gulf of the old, from which we were the first of the nations of the world to find a practicable way of escape.

The only forces that can save us from the one extreme or the other are those forces of social reunion and social reintegration which every man of station and character and influence in the country can in some degree and within the scope of his own life set afoot. We must open our minds wide to the new circumstances of our time, must bring about a new common understanding and effect a new co-ordination in the affairs which most concern us. Capital must give over its too great preoccupation with the business of making those who control it individually rich and must study to serve the interests of the people as a whole. It must draw near to the people and serve them in some intimate way of which they will be conscious. Voluntary co-operation must forestall the involuntary co-operation which legislators will otherwise seek to bring about by the coercion of law. Capital now looks to the people like a force and interest apart, with which they must deal as with a master and not as with a friend. Those who handle capital in the great industrial enterprises of the country know how mistaken this attitude is. They see how intimately the general welfare and the common interest are connected with every really sound process of business, and how

all antagonisms and misunderstandings hamper and disorganize industry. But no one can now mistake the fact and no one knows better than the manipulators of capital how many circumstances there are to justify the impression. We can never excuse ourselves from the necessity of dealing with facts.

GAMBLING ON A LARGE SCALE.

IN his address at the late convention of the American Bankers' Association, Mr. Alexander Gilbert, president of the New York Clearing-House Association, said:

The Clearing-House bankers of New York deprecate as strongly as the most conservative member of this association the great speculative movements which occur from time to time in stocks and commodities, and would prevent them if possible, but they realize what every thoughtful man must realize, that dealing in stocks and bonds is just as legitimate a business calling as dealing in any of the commodities of life, and that among the things which are bought and sold in business, corporate securities have just as proper a place as the staple commodities or the luxuries of life. The formation of pools or combinations, however, for the purpose of promoting or carrying on these great speculative movements, bulling or bearing markets, advancing or depressing prices, is a form of gambling compared with which, in its effects upon society, all other forms pale into insignificance.

GUARANTY OF BANK DEPOSITS.

FESTUS J. WADE, president of the Mercantile Trust Company of St. Louis speaking before the American Bankers' Association at Denver on the subject of guaranty of bank deposits, said this:

Any measure which makes banking safer, any measure which makes bank failures less frequent and less disastrous, any measure which compels the banker to conduct his institution along "safe and sane" lines, conforms to the object of legislation and safeguards the interests of stockholder and depositor.

It is deplorable that a financial theory which affects the interests and calling of every member of this organization, and those we represent, should be made an issue between the political parties in this campaign.

Whatever we, as individuals, think about the guaranty of bank deposits, we must feel that it is unfortunate to have the question dragged into politics.

One state, the newest in the Republic, is experimenting with taxation or assessment to guarantee bank deposits. The question of the legality or constitutionality of this principle is now in the courts.

Every assessment or tax levied upon and required to be paid by banking institutions, to pay the deposits of a defunct institution, is, therefore, an appropriation of a part of the property of the stockholders of solvent banks for private purposes. In the case of the Oklahoma Banking Act, however, the assessment required to be levied upon the banking institutions for the creation of a depositors' guaranty fund is not levied for any public purpose, but is levied for the purpose of securing to private individuals who are so unfortunate as to have their money deposited in insolvent banks a payment of the debt of the bank to them. The assessment, therefore, takes the money of the stockholders of the solvent banking institutions to pay the debts of insolvent corporations to their depositors. It is unjust in that it attempts to favor the creditors of banking institutions by special legislative protection over the creditors of other sorts of business corporations.

It is unjust in that it takes the private property of the stockholders of solvent banks to pay the deposit creditors of insolvent banks. This is not taking private property for public use. It is the taking of the private property of one class of citizens for the private benefit of another class of citizens, and is therefore indefensible upon any theory of taxation or upon any theory of just governmental principles.

OUR UNPROGRESSIVE BANKING SYSTEM.

HON. MYRON T. HERRICK, former governor of Ohio, and chairman of the board of trustees of the Society for Savings of Cleveland, thus characterized our banking system in an address before the bankers' convention at Denver:

We are in the position that the railroads were thirty years ago when forty and fifty pound rails were relied upon to carry the trains. To-day 120 ton locomotives are running over 100 pound rails. The banking system of the country remains practically where it was years ago.

If the banking system remains practically where it was years ago—an assertion hardly to be disputed, it has actually not only failed to make progress, but relatively has been going backward, for the business of the country has increased enormously.

TRUST COMPANIES AND BANKS.

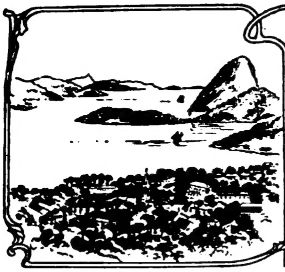
BRECKINRIDGE JONES, in address before Trust Company Section of American Bankers' Association:

The trust company and the bank are fundamentally different institutions. Coordinate branches of finance, each is necessary to meet the varying needs of a complex-developed business community. In the rural district and in the ordinary town and small city there is no occasion for a trust company. There must be unusual conditions if it can thrive there. This is not due to prejudice or want of experience, but to the fact that the business on which a trust company must live does not, as a rule, exist there.

PROTECTING BANK DEPOSITORS.

ALEXANDER GILBERT, president New York Clearing-House Association, in address at the convention of the American Bankers' Association:

If more legislation is needed to protect bank depositors, let it be such as will differentiate the various classes of institutions which are doing a general banking business—the bank which deals in corporate securities—the commercial bank, trust companies and savings banks. Confine each to its legitimate function, provide proper limitations and restrictions with regard to investments; also adequate and thorough supervision.



LATIN AMERICA

IN the century that has passed, the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.—*Theodore Roosevelt.*

COMMERCIAL PAPER IN MEXICAN BANKS.

IN a recent interview with the Mexican Herald of Mexico City, Romulo Farrera, the manager of the Bank of Chiapas and the head of the big commercial house of Vicente Farrera, an institution of seventy years' standing, gave an interesting insight of the banking situation and operation of banks, together with the status of commercial paper in the republic.

Mr. Farrera has made a close study of both banking and commercial conditions for many years past and, having had extensive experience in each channel, his remarks carry weight. This was the interview:

Commercial paper is the most important subject that has been touched upon in connection with the reforms of the banking law and in order to give my opinion upon this subject I should deal with the matter at length without reserve, in order to do justice to it.

Monetary Change Without a Reserve.

At the time when the monetary reform was being discussed, two of the prominent economists of this country expressed contradictory views, the theories of one being founded upon scientific and economic reasons and supported by authorities on the point at issue. He maintained that the monetary reform could not be effected without the possession of a proportional reserve in gold coin. In spite of the reasons and arguments that were advanced in support of this contention, the opinion of the second economist prevailed and the reform was carried out without the reserve which was considered by the first to be indispensable. It appears that we have been following in the footsteps of Russia, regarding the monetary reform, which she happily accomplished five or six years before we did.

We have, however, deviated in a sense from the channel followed by Russia, as regards one of the principal points in effecting a change in the monetary system, for Russia borrowed from France and from other countries nearly one billion dollars for her reserve fund before establishing the new systems, Russia being to a certain extent not unlike Mexico in point of lack of economic resources.

This goes to show that economic-scientific theories should not be inflexibly applied without previous and careful study of actual conditions, for many a time the very persons whom we hold to be masters of the subject confound our ideas by the mention of false theories upon which they base their arguments and, naturally, if such a basis is sophistical, all doctrines and deductions arising therefrom are false.

European Banks and National Banks.

It has been suggested that we apply the methods which are followed in the great financial and commercial centers of the world, and we have been told, as an example, about the Bank of France and the Bank of Spain as banks of issue, as compared with our banks, but such a comparison cannot be accepted, for the reason that the Bank of Spain, for instance, has a capital of one hundred and fifty million pesetas and a reserve fund of twenty millions, against a circulation of almost six hundred millions, so that the capital invested does not represent more than one-tenth of the bank's circulation.

The Bank of France has a circulation of 4,800,000,000 francs— that is, twenty times its capital. On the other hand, our National bank has a combined fund of capital and reserve of more than fifty-nine million pesos, as against only thirty-four million pesos in circulation. Thus we may see that the subject of circulation is a vital point for the European banks just mentioned,

while for the National bank it is of a secondary nature, and consequently the rules applicable to the foreign banks can hardly be applied to our own bank. Moreover, the importance of bank notes in Spain is so great that it represents 62 per cent. of the liabilities of the bank, and the notes of the Bank of France represent 80 per cent. of its liabilities, while in our National bank its notes represent only 12 per cent.

From another point of view, it is impossible to compare the importance of transactions in the great commercial and financial centers with ours. The Bank of France, for example, discounted over 7,600,000 notes and documents last year, or an average of more than 20,000 a day, while the number of notes discounted by the National Bank of Mexico in one year will hardly equal the number of those discounted by the Bank of France in three days.

WHAT SOUTH AMERICA OFFERS US.

I THINK that many Americans will come here, and that their adaptability will aid them in their South American undertakings. I find that in physique, mind and manners, their equipment is somewhat better than that of most Europeans, when Americans and Europeans are both tested in these peculiar conditions. Our people will get along better with the natives and stand the climate better.

I anticipate objections to this view of American adaptability. The Germans and the English, it will be said, have given proof of talent in their dealings with South Americans. Very well. That is admitted. I am not speaking of past performance, but of natural capacity. In our country we learn how to deal with all sorts of people and nearly every climatic excess. Down here I note the resultant power—the quick mastery of new physical and social problems.

And such considerations make one notice more alertly certain tendencies in that vigorous element of the population composed of mining and railroad men; tendencies which might suggest to Mr. Wister and Mr. Remington that the dear departed Wild West is coming to life again in Bolivia.

Our own Wild West taking a fresh start below the equator? If that be true, we shall soon begin to hear about mines of tin, of copper, of silver, of gold, and of literary opportunity. Actually, in this country, so rich in natural resources, but still inhabited, except at a few points, by Indians only, one now sees reproduced the

conditions which in our own West have ceased to exist, and practices lingering like things out of date in the United States—*Marrion Wilcox in Putnam's and The Reader.*

MEXICO AND THE UNITED STATES.

JOSE Y LIMANTOUR, Secretary of the Treasury of Mexico, who, after President Diaz is perhaps the person whose name is most closely connected with the wonderful economic unfolding of that country in the course of the last fifteen years, recently granted a long interview on events of special interest to the United States and Mexico.

Mr. Limantour expressed the opinion that the present friendly relations between Mexico and the United States will steadily broaden.

In the opinion of the Minister, the financial depression from which Mexico is emerging will prove beneficial ultimately. He believes also that the new banking laws will greatly strengthen the fiscal position of the country.

"In regard to the American Nation and people," said Mr. Limantour, "I affirm with all sincerity that each day the exact and just knowledge of the qualities of the neighboring nation and its beneficial effect in our country grows in all classes of society. Cultured and intelligent men appreciate what the American nation means for the civilization of the world. Business people give just as exact an account of the benefits which American capital brings to the nation, and of the manner in which it has modified their economic and social life. Even the inferior classes see in the American the man who works, who makes efforts, and who, in brief, produces remunerative labor and betters the material conditions of the workingman.

"In fact, I do not believe that there is any anti-American sentiment in Mexico. If there is any it exists only at times in the case of some workmen and mechanics who believe themselves ill-used when foreign heads are put over them. Our workmen are sensitive. They ill brook what they consider an injury to their dignity. When it happens that heads do not know this trait friction results, giving rise to the supposed bad feeling. Thus the ill-feeling

against foreigners which has been spoken of is more imaginary than actual. Many who declaim against the introduction of American capital in our business enterprises, when the time comes take advantage of the facilities presented to them and reap their harvest without any scruples.

"The business depression in Mexico is steadily disappearing, and perhaps by the beginning of the new year it will have spent itself. Its causes have been very complex. On the one hand, it was occasioned by the generally bad condition of business in the United States and Europe, aggravated by the sudden diminution in our export products, but fortunately the position of the markets of the world is becoming better.

"If the depression has disturbed our merchants and our business men in general, in exchange it has given every one an excellent admonition to greater caution. Thus the depression has served to point out some defects which existed in our banking operations, which, if it had not appeared, it would have been difficult to discover. While the situation was undisturbed and credit easy to get, everything seemed to be running perfectly. When, however, the critical moment arrived, the deficiencies of the system naturally showed themselves. To remedy these deficiencies the Treasury Department has deemed it necessary to promulgate the recent laws on credit institutions, and I am sure that these measures will place us on a much more solid basis than formerly. These measures have, indeed, been so efficacious that there now exists no fear of anything grave or prejudicial happening in the conduct of business. We have not had any sensational failures, no bank has found itself embarrassed and the merchants who were obliged to surrender their estates to their creditors were not only few but of minor importance.

"The Government has been criticised on account of laws promulgated in an effort to remedy the anomalous situation created by the management of the banks of emission, the assertion having been ventured that in such critical times a measure so radical should not have been carried out. But if, in order to cure, one waits until the invalid is altogether healthy, there is danger of his dying, whereas by attending to him when he is ill, it is possible that he may be completely cured."

OUR TRADE WITH MEXICO.

WHEN it is learned that over one-half of the foreign merchandise consumed in Mexico is supplied by the United States, and that the total value of the imports from this country for the fiscal year ending June 30, 1908, was $58,-617,593 (gold), it will be understood how strong are the ties of commerce between the two republics.

The United States transacts with Mexico more than three times the amount of trade that either Great Britain or Germany does and five-fold the business that is reported by France. And if we add together the imports into Mexico from all of Europe and the United Kingdom there is still shown a balance in favor of the United States of nearly $10,000,000 annually.—*The Mining World.*

AGRICULTURAL BANK IN BRAZIL.

CONSUL-GENERAL GEORGE E. ANDERSON, of Rio de Janeiro, forwards the following outline features of a new agricultural bank which is to be established in Brazil for the relief of financial stress among agriculturists and for developing plantations along modern lines:

The announcement of the regulations of the Banco Agricola, or agricultural bank, established by the Federal Government of Brazil, as provided for in a law passed by the Brazilian Congress in November, 1907, indicates that this institution is likely to develop into one of the most notable features of national finance. These regulations, just promulgated, indicate that the institution rests upon a plan for aiding the agricultural interests of the country, which is quite original and probably without precedent anywhere. It contemplates a system of loaning money on agricultural security which extends from Rio de Janeiro to the

remotest parts of the Republic. The dominant idea is that this bank, established by the authority of the Government, and supplied with funds by the Government, is to be the central bank for a series of state or district banks now in the course of establishment by the several state governments. Aside from general deposits, including governmental deposits, it is provided that this central bank shall use in its business an amount of money equal to its capital out of the surplus or reserve funds of the Government savings bank. The regulations provide that the capital of the bank shall be $9,000,000 gold, divided into 150,000 shares of $60 each. The capital is payable in installments, the first of twenty per cent. and the rest at intervals of thirty days.

Relation of Central to State Banks.

The business of the bank is practically limited to the extension of credit to agricultural interests by dealing in notes and other paper based upon agricultural securities, and it is expected that its practical operation will consist very largely in the purchase or discount of mortgage notes taken from planters and agricultural societies or syndicates by the state or district banks. In general the relation of this central to the state or district banks is the critical point in its business. It is provided in the regulations that the central bank may purchase of the state banks hypothecary notes issued by such state banks bearing seven per cent. interest and having the guaranty of the respective state government as well. On the basis of these state-bank notes thus secured the central bank may issue hypothecary notes of its own, bearing five per cent. interest, payable annually, up to the full amount of the hypothecary notes of the state institutions held by it, but not to exceed a total of five times the capital of the central bank. The hypothecary notes issued by the central bank, however, must be issued in series with the consent of the federal minister of finance, and will have the guaranty of the Federal Government as to the payment of the five per cent. interest. Such hypothecary notes of the central bank, therefore, are in the nature of bonds, and will constitute in a way an internal issue of bonds guaranteed by the Federal Government.

The hypothecary notes of the state banks upon which the success of the enterprise depends more or less are to be based upon state security and apparently are without limit as to their original security. The particular favor to agricultural interests is given in the provisions which permit the central bank to undertake the purchase or discount of credit paper issued by the state banks or by co-operative or other agricultural societies, whose members are each and severally liable for the whole of the loan, and guaranteed by the state banks and arising out of the following transactions: a, loans on agricultural security for periods not exceeding one year; b, the discount of land bills (letras de terra) for terms not exceeding one year when such bills are guaranteed by two solvent firms, of which one must be a farmer, planter, or manufacturer, and in addition to such guarantee the guarantee of the state itself; and c, to discount warrants and merchandise bills (letras e bilhetes de mercadorias) drawn in accordance with existing laws. These land bills or letras de terra are in effect promissory notes good only in the state in which they are made, being of Portuguese origin and at present of limited use. The merchandise bills and warrants are of the general nature of warehouse certificates.

In line with the general business of the branch or state banks the central bank may loan money to agricultural syndicates or co-operative societies for periods not to

exceed two years and may act as a broker for the purchase and sale of hypothecary notes on commission. It may receive ordinary commercial accounts according to the banking rules generally obtaining in Brazil. The bank is authorized to deal directly with customers in the several states where no state or branch banks are established, to establish agencies or branches of its own in the interior, and to receive accounts in the nature of savings deposits and pay upon such deposits a higher rate of interest than that allowed on other accounts. The federal treasury is authorized to advance money to the banco agricola out of the funds of the Government savings bank and on these advances two per cent. interest is to be paid.

Bank is Established to Relieve Agriculturists.

This banco agricola has been established by the Government in response to a long course of agitation from the agricultural interests of the country, and while it is expected that the stock will be subscribed readily by Brazilian financial interests which are concerned in agricultural matters the Federal Government itself is authorized to take whatever part it may be deemed advisable in order to insure governmental control. One of the long-standing complaints of the agricultural interests of Brazil has been a lack of facilities for borrowing money with which to carry on their business. The average Brazilian planter has long been accustomed to raise his crops on credit. The owner of a coffee estate generally borrows from the "commissario" or buyer of coffee what money he needs for the payment of labor required for the care and cultivation of his trees, for gathering and packing the crop, and for other advances to get the crop to market. Money is generally advanced to cover the entire living expenses of the planter's establishment, and the whole transaction is in effect a sale of the crop in advance on the basis of a yearly settlement in which the planter pays high rates of interest, and often is compelled to relinquish his rights to his product at a low price. The planters have claimed that with proper banking facilities, whereby they may be able to borrow money at fair rates of interest on their land or their crops, they will be in a position to protect themselves from both unfair dealing and temporary unfavorable turns in the market. They also will be able to secure funds for developing their estates upon modern lines.

NEW MEXICAN CREDIT INSTITUTION.

SUBSCRIPTIONS were closed in New York October 28 by the National City Bank and Speyer & Co. for $20,000,000 thirty-five year two and one-half per cent. sinking fund gold bonds of the Caja de Prestamos para Obras de Irrigacion y Fomento de la Agricultura, S. A. (Institution for Encouragement of Irrigation Works and Development of Agriculture, S. A.) These bonds form part of an issue of 50,000,000 pesos, and the principal, interest and sinking fund are unconditionally guaranteed by the Mexican Government.

After November 1, 1918, a cumulative sinking fund of not less than 1½ per cent. of the total amount of bonds issued becomes operative, the bonds to be drawn for redemption at par and interest, and bonds so drawn are to be kept alive for the benefit of the sinking fund, and the interest accruing thereon is to be added to the sinking fund.

Senor Lic. Don Jose Y. Limantour, Secretary of State and of the Department of Finance and Public Credit of Mexico, in a letter dated October 19, 1908, writes in part as follows:

The "Institution for the Encouragement of Irrigation Works and Development of Agriculture, S. A." (Caja de Prestamos para Obras de Irrigacion y Fomento de la Agricultura, S. A.), is organized for a term of fifty years (unless its existence be extended by a law of Congress and by resolution of its stockholders) under the Concession of September 3, 1908, granted to the Banco Nacional de Mexico, the Banco de Londres y Mexico, the Banco Central Mexicano and the Banco Mexicano de Comercio e Industria, with a capital of not less than $5,000,000 U. S. gold (10,000,000 pesos) fully paid. Under the terms of the concession, this capital can under no circumstances be increased or decreased without authority of the Department of Finance and Public Credit.

This institution has authority to make loans for the encouragement of irrigation

and agricultural works and stock raising, and, in exceptional cases, for the development of combustible minerals and to advance funds to metallurgical enterprises: all such loans to be either secured by mortgage and pledge of property, or to be guaranteed by a bank operating under a Federal Concession, or by a company chartered by the Federal Government to finance enterprises falling within the sphere of this concession. The amount which may be loaned on mortgage may never exceed 60 per cent. of the value of the property pledged.

The concession provides, among other things, that the board of directors shall consist of fifteen members, of whom three shall be appointed by the Mexican Government, and no action can be taken if one of the said three representatives of the Government interposes his veto. Under the Mexican law, auditors (comisarios) must examine and approve the accounts before the yearly balance sheet can be submitted to the stockholders, and one of these auditors (comisarios), as well as his substitute, shall likewise be appointed by the Mexican Government.

The total issue of bonds authorized is limited to $25,000,000 U. S. Gold (50,000,000 pesos), or the equivalent thereof in foreign money, and, in pursuance of the law of June 17, 1908, the bonds which you are offering for sale are unconditionally guaranteed, as to principal, interest and sinking fund, by the Mexican Government by endorsement on each bond.

The concession provides that the "Caja de Prestamos" can make no further issue of bonds than above stated without the express authority of the Congress of the United States of Mexico. In case authority to make further issues of Guaranteed Bonds be obtained, then the capital stock must be proportionately increased and fully paid, so that the paid-up capital stock of the "Caja de Prestamos" may never be less than one-fifth of the amount of its bonds guaranteed by the Mexican Government.

Under the terms of the concession, ten per cent. of the net profits of the "Caja de Prestamos" are set aside each year as a reserve fund, until such fund shall amount to one-half the capital stock.

The general result of a comparison between the ordinary revenue and expenditure of the Mexican Government for a series of years is as follows, Mexican Currency:

HARRIMAN PLANS IN MEXICO.

A DESPATCH from Merida, Mexico, says that E. S. Cravath of New York, who is said to represent E. H. Harriman, has acquired a controlling interest in the United Railways of Yucatan and that an initial payment of $7,000,000 has been made. The system radiates out of Merida.

It is further reported that Mr. Harriman now owns the Pan-American railroad which runs from a point on the National Tehuantepec line to the Guatemalan border and that the two systems are to be connected by the building of about 400 miles of new road.

MEXICO'S IRRIGATION PLAN.

M. RIBON, one of the foreign engineers connected with the irrigation projects of the Government of Mexico, was recently in New York city on his way from Europe to Mexico, where he expects to examine more fully the plans and to assist in the execution of the works for which the issue of bonds of $25,000,000 recently announced will supply the capital. Public offering of these issues will shortly be made simultaneously here and in Europe.

Speaking of the undertakings in which these funds are to be employed, M. Ribon said to the "Wall Street Journal:"

> The Mexican irrigation projects do not include any particular locality but apply to various districts in which the hazards of crop growing have been so great as to discourage the occupancy of the soil. Damages from flood have been common yet preventable. The funds for these irrigation projects are to be spent so that Mexico may more nearly restore the balance between her own food consumption and the supply. At pres-

Fiscal Years	Ordinary Revenue in Cash.	Ordinary Expenditure in Cash.	Surplus of Revenue.	Proportion.
1903-1904	$86,473,800.94	$76,381,643.22	$10,092,157.72	13.21%
1904-1905	92,083,886.66	79,152,795.80	12,931,090.86	16.33%
1905-1906	101,972,623.70	79,466,911.68	22,505,712.02	28.32%
1906-1907	114,286,122.05	85,076,640.51	29,209,481.54	34.33%
1907-1908 Partly Estimated.	111,214,900.00	92,258,100.00	18,956,800.00	20.55%

ent Mexico imports a large proportion of her annual food products.

Another object in these irrigation projects is to develop localities lying along her railroads, so as to increase the volume of traffic. The irrigation districts lie in both the Gulf and the Pacific slopes of Mexico, as well as in the plateaux, and are part of a general plan of the government to apply its borrowing power to the encouragement of its fundamental industries. They include both public lands and lands already privately settled.

The expenditure of funds under such auspices is certain to greatly enhance the value of real estate and to broaden the basis of assessment for public income. The Mexican authorities anticipate in this one of the most profitable uses of the public credit.

"SAM" GOING INTO FOREIGN BANKING.

A BANK has been started in Mexico City bearing the sprightly name of the Caja de Prestamos para Obras de Irrigacion y Fomento de la Agricultura, S. A. "How would you like to draw a check on it?"—*Wall Street Journal.*

For our part we should be delighted to draw a check, especially so since the cash has been furnished for its establishment by Tio Sam.—*Mexican Financier.*

FOREIGN CAPITAL IN MEXICO.

GOOD effects are following the withdrawal of the proposed amendment to the Mexican mining laws prohibiting mines from being owned and operated by other than Mexican corporations.

During the past six months nearly every plan for the establishment of new industries had been held in abeyance until the question of financial assistance was settled, and inasmuch as the mining industry was given a strong impulse through the withdrawal of section 144 of the proposed mining law, simultaneously with the extension of the concession exempting from import duties all machinery and supplies intended for the development of new enterprises, more than ordinary inducements are now open to the investor, and, according to information obtained in industrial circles, several companies are now being organized to invest comparatively large capital in the states of San Luis, Queretaro and Guanajuato.

In San Luis Potosi the mining industry will receive an impulse from local and outside capital. The state does not depend largely on agriculture, and its resources arise from mining and manufacturing.

The companies affected by the suppression of the measure are numberless, for the resources of the state in the mining region along the zone of Catorce and on the west are almost inexhaustible.

That the rejection of the article mentioned of the mining law has caused a good effect is evidenced by the enthusiasm exhibited freely by Mexican and foreigners alike.

MEXICAN CREDITS.

IN writing of "Mexican Trade" Vice-Consul-General T. Ayres Robertson of Monterrey, Mexico, says:

Another point which the American manufacturer has insisted upon up to the present time is that no goods shall leave his factory or the United States without his first having received full payment therefor. This method is directly opposed to that pursued by European shippers who are always willing to grant terms and time to purchasers of established solvency. The Mexican merchant takes the position that he should not be called upon to trust his money with a foreign manufacturing concern, if that concern is not willing to trust him with their goods.

There are methods of ascertaining the solvency and financial responsibility of concerns in Mexico the same as in the United States, and the same credits and terms should be accorded the Mexican buyer as is customary to the same class of purchaser in the United States. There is no question that the American manufacturers can greatly increase trade with Mexico if they will endeavor to study the trade conditions of the country and try to meet the Mexican buyer on anything like the same footing as do the European merchants.

BRAZILIAN MONETARY CIRCULATION.

CONSUL GEORGE E. ANDERSON, of Rio de Janeiro, reports that under the new currency law of Brazil the monetary circulating medium is slowly shifting from the basis of inconvertible paper to the gold basis. He says:

Practically the only gold and silver money in circulation in Brazil since the proclamation of the Republic was coined in 1907. In 1906 there was coined a total of about a third of a million dollars. Previous to that

time the only money in circulation in Brazil was the inconvertible paper money and a few copper coins used chiefly by banks for making change and with the addition of necessary nickel coins for amounts less than one milreis, the latter worth at present exchange 30 cents.

The total amount of silver coined since the new coinage was inaugurated, is 9,054,000 milreis, or, at present exchange, $2,716,200. The amount of gold coined is at par exchange the equivalent of $62,572, and the total of gold and silver coined amounts to $2,778,772. This is practically the total of the coin in circulation, and with a population of 16,000,000 amounts to 17.36 cents per capita. The Caixa de Conversao, or exchange bureau, since its organization under the new regime, has issued a total of 98,350,120 milreis, or $29,491,536, now outstanding. This money is issued against gold of the equivalent value in the Brazilian Treasury. The total of all gold and silver money and of paper money secured by gold in the treasury amounts to $32,270,308, a per capita circulation of $2.0136 in American money.

The amount of inconvertible paper money in circulation in Brazil has been reduced in recent years in accordance with the announced policy of the Government, the amount in circulation on August 31, 1898, being 788,351,614 milreis, as compared with 642,963,951 milreis in circulation on February 29, 1908, according to a statement in the Diario Oficial. At present exchange this circulation has a gold value of $192,889,185, which at a population of 16,000,000 amounts to $12 per capita, inconvertible paper. The total per capita circulation of Brazil at present, therefore, is substantially $14.0136, of which one-seventh is in coin or based upon gold.

NATIONAL RAILROAD OF MEXICO.

THE National Railroad of Mexico has issued its report for the year ended June 30, 1908. As the company recently changed its fiscal year, so as to end June 30, instead of December 31, a comparison for two years only is possible (Mexican currency).

Commenting on this report, the "Wall Street Journal" says:

In the light of what the railroads of the United States experienced, the last fiscal year with the National Railroad of Mexico was a period of very slight changes in earnings and expenses. The decline in gross earnings was negligible, less than two per cent., while expenses of operation were so successfully restricted that the loss of net earnings was only a shade more than one-half of one per cent.

The year's surplus over charges and various deductions from income was cut down by almost one-half, and equaled but 1.85 per cent. on the $28,832,925 preferred stock, as compared with 3.50 per cent. the previous year; but this fact was due not so much to increase in interest on bonded or other debt as to an incidental increase in discounts charged off on account of the extension of the company's $8,500,000 gold notes and the sale of $1,500,000 additional notes. All of these notes mature in April, 1909, and as the plan of consolidation of the Mexican railroads under government auspices provides for the financing of the short term obligations outstanding, the company will shortly be relieved of this drain upon its income. While this discount cannot properly be credited to earnings on the stock or regarded as a part thereof, nevertheless the comparison of surplus income with the previous year's record would have been more favorable if some less expensive form of financing had been possible.

The decrease of $87,297 in miscellaneous income was due principally to $51,237 less dividends received on stocks of other companies owned, the remainder of the difference having been caused by smaller cash balances on deposit and smaller exchange receipts. The total income from transportation and other sources and the charges against the same, all in United States currency, compare with the previous figures as follows:

Total income	$3,503,415	Dec.	$105,638
Deduct:			
Taxes	36,285	Inc.	7,632
Rentals	25,207	Inc.	1,152
Bond interest	2,547,719	Inc.	82,119
Discount on securities sold and extended	320,015	Inc.	237,355
General interest and exchange	27,758	Inc.	27,758
Additions and betterments Texas-Mexico Railroad	12,266	Inc.	12,266
Total deductions from income	$2,969,250	Inc.	$368,282
Balance of income	$534,165	Dec.	$473,920

	1908.	1907.	Changes.
Gross	$15,601,301	$15,874,669	Dec. $273,368
Expenses	9,915,159	10,151,838	Dec. 236,679
Net	$5,686,150	$5,722,831	Dec. $36,681

Reduced to United States currency, at 50 cents for the silver dollar, the net would be, United States currency:

	1908.	1907.	Changes.
Net earnings	$2,843,075	$2,861,416	Dec. $18,341
Other income	660,340	747,637	Dec. 87,297
Total income	$3,503,415	$3,609,053	Dec. $105,638
Int., taxes, rent, etc.	2,969,250	2,600,968	Inc. 368,282
Surplus	*$534,165	$1,008,085	Dec. $473,920
Preferred dividend	288,329	576,658	Dec. 288,329
Net surplus	$245,836	$531,427	Dec. $285,591

*Equal to 1.85 per cent. earned on the $28,832,925 preferred stock.

PROMOTING TRADE WITH LATIN AMERICA.

AS a means of promoting trade with Latin America, an organization could be advantageously formed, composed of the leading business houses in the cities most interested in cultivating trade with the southern countries.

Such an organization should be of a business character purely and of an entirely practical character, and with its head office located in New York.

The opportunities for the extension of American trade and enterprise throughout Mexico, Central America and South America will never be properly availed of until they are investigated by practical business men, and the meritorious openings for our commerce and capital taken up by a properly organized body possessing the ability and means to carry on large undertakings.

GENERAL NOTES.

—Speyer & Co. of New York city have completed the formation of a syndicate to take $25,000,000 bonds of the company organized in Mexico and supported by the Mexican Government which is to put into effect irrigation projects on a large scale. The issuing company is the Institution for the Encouragement of Irrigation Works and Development of Agriculture in the United States of Mexico. The bonds mature in thirty-five years, bear interest at four and a half per cent., are payable in gold and are guaranteed as to principal, interest and sinking fund by the Mexican Government.

The National City Bank of New York city will be associated with Speyer & Co. in the sale of the bonds in this country, but the issue is to be an international one. The foreign houses in the syndicate are Speyer Bros., London; Lazard Speyer-Ellison, Frankfort; Deutsche Bank, Berlin, and Teixera de Mattos Bros., Amsterdam.

—The work of remodeling the building of the Banco Internacional Hipotecario, on Calle Cadena, Mexico City, is nearing completion and all of the walls have been taken out, leaving the entire weight of the building on eight marble columns. The entire ground floor will be occupied by the bank proper. The construction of the building as it now stands is of steel, concrete, marble and bronze and, when completed, will be the most thoroughly modern of any banking house in the republic. The building covers 700 square meters and the cost of the improvements now being completed amounts to over $170,000.

The bank contains a chrome steel vault imbedded in concrete and granite, which makes it absolutely fire and burglar proof. The safety vault will be extended to accommodate the increased volume of business of the bank.

The floor will be of ceramic tile and the entrance will be through sliding gates. One half of the new banking house will be completed within six weeks, when it will be occupied, during which time the other half will be rushed through to completion, and before the end of the year the International and Mortgage Bank will be in full possession of its new quarters.

—The newly appointed Consul General of Chili, Senor Ricardo Sanchez, has arrived. He succeeds Senor Adolfo Ortezar, who was transferred from New York to Hamburg some five months ago. Since that time the consular affairs of Chili have been looked after by Consul General Diaz Miranda, of Spain.

—Augusto B. Legunia, the recently elected President of Peru, was inducted into office September 24, and at once assumed the power of a Chief Executive. The President made a speech in which he said:

My government is to be an instrument of progress, and its underlying impulses are the maintenance of peace and the protection of the interests and rights of all citizens. In order to combat the existing bureaucracy I shall endeavor to modernize the civil and penal codes as they now exist. Without bringing an increase of taxation I shall try to augment the nation's revenues, and the questions of sanitation, immigration, irrigation, education and railroad construction will have my attention.

I would not accept the Presidency of this republic unless I had sufficient strength of mind to dissociate legitimate interests from political passions. I intend to be the head of the nation, not the head of a party. Before me all men will be equal. My actions will be inspired by public opinion, right and justice, and I am sufficiently courageous to recognize error and stamp it out.

THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

FROM A WOMAN'S STANDPOINT.

The Kind of Bank Advertising that Appeals to the Feminine Mind.

By Emma F. Kuehne, East Orange, N. J.

INTRODUCTORY NOTE.—A large proportion of the buying of the country is done by the women. Fully 90 per cent. of the advertising in the newspapers, magazines, street cars, etc., is addressed to the female portion of the population. It will pay bankers to consider this fact in the preparation of their advertising matter. In order to throw light upon the subject as it is viewed by a woman, we publish the following article by Miss Kuehne, who is a successful public school teacher in East Orange.

VERY few women ever know that there is a bank advertisement in the paper. Why? Because these advertisements are usually stilted and formal, simply a statement of the financial strength of the bank and the names of its officers; with a terse invitation to "Bring us your business."

Such statements make slight impression upon the mind of the average woman. It makes little difference to her whether the bank's capital is $50,000 or $500,000 although she wants to be assured that the bank is perfectly safe. She is not one bit interested in such figures *in themselves* and she needs to have them explained to her. That bank ad. is a failure as far as the woman reader is concerned that does not have enough of the close personal element in it to attract and hold her interest.

A woman would much rather read an advertisement which is interesting and makes a definite personal appeal—like the bargain sale notices.

In savings bank advertising it appears to me that the problem of appealing to women is not a difficult one. Arouse interest in the mind of your reader. Make her desire to save, perhaps not for the "rainy day" that seems far off and unreal, but that she may obtain some article for the home, or enough money for a pleasure trip. Let her know that each dollar she saves is earning four cents for her without any effort on her part. Show her the value of systematic saving. Make your arguments appeal to her personally, as if you were interested in her plans, her trips, and in her.

As far as my observation goes, the average bank advertisement consists largely of statements concerning capital, surplus, undivided profits, deposits, officers and directors. These things may appeal to business men, but in such an advertisement there is not one thing to attract or appeal to a woman. On the contrary, should she pause to read it she would be afraid of the forbidding technical terms employed. She would feel that the atmosphere of that bank would be like its ad., and would never dream of taking her queries or her money there.

Hard, Dry Facts.

Nearly every other kind of advertisement is made to attract and interest readers, but bank advertisements are so often mere statements of hard dry facts. There seems to be an idea that mere names and figures are very appealing to possible customers. Perhaps they do appeal to men, but not often to women, I am sure. So I think that bank advertisements should be bright

enough to attract and hold the women and the young people. Get a wife, mother, son or daughter interested in a plan and the husband and father is very likely to fall into line.

Psychology tells us that we are in the habit of correlating any new impression with something already familiar to us. The people, the soap manufacturers and other general advertisers always deal with the personal side of the matter. They appeal directly to each woman, illustrate her need of their particular article and the advantages gained from using it. Thus they secure a trial, and the goods then must speak for themselves. Now, why not

Some Good Ads. for Women.

wise advertiser should take advantage of this fact by creating a strong mental picture—something concrete around which ideas can be built.

The Personal Element.

Some things we learn best by induction —drawing inferences from particulars. I think the advantages a bank offers must be taught to women in this way: By suggestion, comparison and interesting details. Something new, always appeals to a woman. In their advertisements the breakfast food do something like this in bank advertising? The bank has as broad and interesting a field as any other branch of business, yes, even more interesting, I think, than many other lines.

There are thousands of women teachers in our cities who have no checking account, no savings deposit. They are young, many of them. They do not realize the advantages of systematic saving or of paying all bills by check. Bank advertisements should tell them of this interesting subject. There are thousands of boys and girls, little tots who now spend their pennies for candy,

who would gladly save some of them if they had a lovely shiny bank to drop them into and a bank book all their own. Then when they found that each year their pennies and dollars earn more without their effort they keep on saving and so the habit is formed.

The bank that interests the boys and girls and the women is the one that is likely to hold its depositors when they grow up, and will have the most advertising though its patrons. Because women and children tell each other about their schemes for saving money, just as much as they do about dress and the expenditure of money. Teach them in a cheerful, systematic, attractive way the value of becoming a regular customer of your institution.

Explaining Service Offered.

Avoiding technical phrases, which so often frighten women, an explanation of the bank's service could be made attractive to women along such lines as the following:

The convenience of the checking account —no need of receipts, no need to have large amounts of money in the house where it might be lost, mislaid, burned in case of fire or even stolen. I knew a case where the convenience and peace of mind of one girl was assured because she paid all her bills by check, whereas another girl constantly felt "queer" (as she expressed it) about the whole matter. Two girls were away from home, boarding. One girl always paid the landlord by check, the other in cash. One day the man asked them if they had paid their last month's board. Evidently no account had been kept of the transaction. They both answered him that they had and the girl with the check account showed him her voucher and thus verified her word. On the other hand, her friend had no evidence except her word. The landlord very courteously accepted that and the incident was closed. But all landlords would not be so courteous. The girl always felt as if perhaps he doubted her and so for a long time she felt most uncomfortable. She at once opened a checking account.

Then one day one of the men in the bank asked these young women if they wouldn't like to start a savings account. He told them to try the little home bank scheme, when they had any spare pennies to drop them into it, or to plan to put by so much each week. Thus they would have enough for their summer vacation and never really miss the small amount each week. It was simply saving on the instalment plan.

So bank ads. ought to bring out the pleasure and satisfaction of saving little by little and show that it is really a very easy matter.

Other points are: The courtesy and willingness of the bank employees to aid and give advice to their women patrons; the confidential nature of a bank account; the pride and feeling of resourcefulness and independence it gives to pay all bills by check, or to have an individual savings account.

Nice, Clean Checks.

I shall never forget my first experience with a check account. How proud I was, I felt as if I knew so much about business. It seemed perfectly splendid to issue nice clean checks in payment of my bills. I was not bothered or worried by having the money about. Some women carry large sums of money in a little bag attached to a ribbon about their necks. How much safer and easier it is to have a check account in a good bank. Then from a check account it is but one step to the savings department.

One day I received notice that I had overdrawn my account. How frightened I was! I went to the bank, and the dearest gray-haired old gentleman went over the accounts with me and so we found the mistake. I shall never forget his kindness. It has always seemed to me that a kindly gray-haired man at the head of the savings department is a most valuable asset for a bank dealing with women. Such a man inspires confidence and a feeling of security.

The bargain side of depositing in a bank appeals to a woman. A woman likes the idea of a bargain, the getting of something for nothing, getting it without labor or effort on her part. Make her see that for every dollar she puts in your bank she receives three or four cents a year *free.* Make her see that her money is working for her, is constantly increasing without effort on her part. Get the mother to start an account for the child if it's only a penny a day. She'll never miss it and by the time he is eighteen he will have a snug little nest egg for his education or to help him in starting his business career.

I have talked with many young women, especially teachers, about saving. They say: "Oh, I hadn't thought about it. What good is it, I cannot save anyway?" Of course they cannot. The money is too handy and it goes for trifles—whereas if it were necessary to make out a check every time they would stop to think about the expenditure. Stop to think. That's just what many of them do not do. It is the mission of the bank advertisement to make them think. It is really a matter of educating possible customers. It is laughable, and sometimes

pitiable, to find out how ignorant many women are about ordinary banking and business methods. One young woman received a check and at once sent it on in payment for a magazine subscription. The check was returned with the request: "Dear Madam, Please indorse this check." Then she wrote on the back of the check "I heartily indorse this check."

A Campaign of Education.

Such amusing mistakes would be of less frequent occurrence if more women had bank accounts, but that is not always a sure cure. It wasn't in the case of the woman who telephoned to her bank to stop payment on her check No. 25 because it had just been burned accidentally.

Some banks at Christmas or Easter send out little gifts such as penknives, calendars or pretty blotters. These are all very well and create good will, but you need more than that, you need something to clinch this good will and change intention into action; something to make the recipient remember what you stand for, why you exist, each time your gift is seen or used.

So with the gift why not send a well-gotten up booklet appropriate to the season and bringing out the *best* points of saving and check accounts?

About the Children.

I should think also that special literature might profitably be prepared to interest chidren in saving money.

Make the little bank a bait, urge them to use it to save up for a pony, or a sled or new dishes, a new rug, a summer trip—bring in all the close human feeling and sympathy you can. A little talk like the following ought to be effective:

Boys and Girls—A nice shiny bank, free! Just work hard and earn some money. Then ask us for a bank and just put in all the pennies you get. It's such fun to hear them jingling in the bank! Then bye-and-bye you'll have enough to buy Papa and Mamma a pretty Christmas gift or a new sled and skates for yourself. Come to our bank. We like to help little men and women to get pretty things with their pennies.

This is what a mere woman thinks about bank advertising.

A BOUQUET.

THE FIRST NATIONAL BANK.

WEST ELIZABETH, PA., Oct. 16, 1908.

Mr. T. D. MacGregor, Manager Publicity Department, Bankers Magazine, N. Y.

DEAR SIR: I have been much pleased with your comments on some of the ads. put out by this bank. No doubt our ads. have been improved by the suggestions in your department. It is not necessary for us to write an ad. like the ones you reproduce, but the ideas of the other fellow and your remarks often start a line of thought that results in an entirely new result. This is one reason why your publicity department has a right to exist.

Recently I purchased your book, "Pushing Your Business." You know that there are a good many books purporting to be the last word on bank advertising. They range in price all the way from $1 to $10. Some of us who have bought these books have been saddened at the thought of giving so much for so little. For that reason I put off buying your book for a good while. This is the first time I have felt that I got my money's worth and a little more. You give practical suggestions and indicate how to build ads. and ways of advertising and you don't seem to be trying to say that you know it all. You allow that there is a little originality outside of your office, and that must please thoughtful readers. The country is very large and the gray matter fairly well distributed.

I have mentioned this in this manner, because I have paid money for other bank advertising books and I have felt as though I had received short weight ever since.

The fact is, I feel a personal interest in your department and if I haven't put my appreciation aptly, you know my sentiments any way.

Sincerely yours,

A. G. BOAL, *Cashier.*

A Strong Combination of Border and Trademark.

ARTICLES ON ADVERTISING.

What Prominent Financial Advertisers Are Writing and Talking About.

AMONG the articles and speeches on advertising which have come to our notice in the last few weeks are the following:

"The Advertising of a Public Service Corporation", by E. St. Elmo Lewis, advertising manager, Burroughs Adding Machine Co.; "Educational Financial Advertising", by Harry D. Robbins, of N. W. Halsey & Co.; "Bank Advertising and its Relation to Bank Failures", by R. F. Adams, of Huntington, W. Va.

Mr. Lewis' paper was delivered before the Michigan Gas Association at Kalamazoo on September 24.

Following are a few extracts from the address:

The first thing any advertiser needs is a personality.

Personality—individuality—is the power that counts in advertising. Most advertising is as much like all advertising as one maltese kitten is like another—which fact makes a market for tabby cats, backyard cats, and just plain cats.

You like men who do things—have character, with a few rough spots—and a corner that doesn't crumble into smooth roundness when it rubs up against the world.

That is personality—which puts a brand on a man, so men may know what he will do—how he will do it and frequently, when. That means you know "where you can put your fingers on him."

Now it doesn't much matter what kind of a man he may be with respect to his morals, public or private, but the world has greater confidence in the man of known personality.

It is that very force of personality which made Croker hard to beat in New York, Durham in Philadelphia, and makes Roosevelt a power.

Take Lawson—no matter what you may think of him or his methods, you must admit the power of his personality. He may be insincere—he may be all that's wicked and detestable, but he has a following:—it is the same with Johnson of Cleveland, with Bryan, and now Mr. Rockefeller, recognizing this, and making an opportunity of persecution, has been smoked out of his speechlessness. If he realizes this opportunity he can give himself an entirely new character in the eyes of many people.

For that reason I believe every advertisement of a public service corporation should be signed by the manager, president or other official who stands for its policy in the eyes of the public. I see you exchange glances at that—and figuratively throw up your hands—but you'll have to revise many of your ideas on this question. You have to forget your conclusions on dignity and modesty—dignity that is unsuccessful is a contradiction in terms, and as for modesty—well "it was a great day for fools when modesty was made a virtue."

I would have every advertisement signed by one officer of the company,—and I would use a fac-simile of his signature at the end of it.

Why? Because people want to talk to a person, not to a sexless, nebulous, corporate name that stands mute and senseless between them and the man whom these people want to hear and see and know. I would make the ads. a little more careful in phrasing, in promises and claims—all of which wouldn't hurt gas advertising a bit.

The article by Mr. Robbins appeared in the "Trust Companies" magazine. He said in part:

A prominent advertising man recently remarked: "If I were asked to make a general criticism of advertising policy as I have observed it during several years' contact with advertisers in various lines, I would say that the average advertiser takes too narrow a view of the subject. He expects too much in the way of immediate cash results; under-estimates the cumulative value of systematic and intelligent publicity, and more often than not fails to plant the foundation of his advertising campaign deep enough." Beyond doubt, this criticism is a just one. Fortunately, there are many exceptions, and every day brings forth a new convert to the broader view.

Modern advertising is fast coming to be regarded as a science, for there are recognized basic laws which govern, notwithstanding certain factors impossible of elimination.

It is of course true that every advertising proposition must be figured on its own merits, and that much depends upon what is sought in the way of results. For instance, the man who is dominated by the idea of making his "pile" in one, two or five years is seeking for somewhat different advertising results than the man who is building a permanent business which shall endure beyond his own time. The former wants quick returns. Immediate profit, not good will, is the great desideratum. The latter, while naturally desiring all the immediate business and profits that may legitimately accrue, never loses sight of the future, and it is important that he make his advertising plans accordingly. Unfortunately many of this class do not, largely, no doubt, because they do not give the same intelligent thought and supervision to their advertising as they do to other departments of their business.

An established business is advertised partly to keep the name before its clientele, and thus serve as a constant reminder, at the same time affording opportunity to call attention from time to time to special features. But the principal result sought is the creation of new customers. This means that much advertising effort is directed to those who are not conversant with the business advertised. The "copy" which best meets this requirement is that which fully informs the reader regarding the merchandise or service offered, reliability and policies of the advertiser, etc. Dignity is all right, but nothing creates confidence more quickly than frankness, and it is human nature, unless one is given to blind faith, to suspect that which is mysterious. Nothing creates desire for goods more quickly than

logical presentation of their salient features. Notwithstanding these truths, many advertisers apparently expect the uninformed public to buy their goods on faith alone. Happily, in this enlightened age, advertising which frankly renders serviceable information is entirely consistent with dignity and advertising ethics.

Mr. Adams' article is the result of an inquiry into the advertising methods of the banks which suspended during the financial stringency of 1907. Some of his conclusions are as follows:

In planning any systematic advertising campaign one of the first steps is a selection of the best medium, which, naturally, is the one reaching the greatest number and most desirable class of people at the least proportionate cost.

This requirement is fully met by the newspaper, which affords any concern dealing directly with the people the quickest, and proportionately a very cheap method of getting in touch with the greatest number.

Advertising in the newspaper makes it possible to bring your ad. before just the class of people you wish to interest. By the character of the paper the character of its readers may be judged, and one is enabled to select the medium measuring up most nearly to the desired standard. It is thus possible to eliminate much waste circulation; and, as by concentration better results are to be had, the proportionate cost of the advertising required to produce a given result is reduced.

Newspapers, then, are excellent and most profitable media for banks; which statement is supported by the revelations of this inquiry.

When systematic newspaper advertising can be used with such beneficial results by banks—which have nothing to sell save protection and convenience—it is not too much to say it may with equal advantage be applied to any line of business.

* * * * *

Among seventeen failures reporting only three made even a pretense of advertising in a modern way. Each of these three banks used newspaper advertising, one changing copy monthly, one weekly, and one twice a week. Monthly changes of copy in a local field, however, can scarcely be called modern advertising. Neither of these banks experienced a run, although the one which changed copy weekly suffered from a general withdrawal of deposits not altogether partaking of the nature of a run. The failure of this institution came about through two or three big losses, of which the public became aware. The suspensions of the other two institutions claiming modern methods were brought about through "poor investments" and "probably bad management."

At this date only one bank out of the entire seventeen has recovered sufficiently from its trouble to resume payments as it was originally organized, and this is the bank which used the most approved methods—changing its ads twice a week. The reason given for its failure was "probably bad management." When we consider that this bank suffered from no run, and that it has been able thus quickly to resume, the facts would seem to indicate it suffered very little from loss of confidence, and quickly regained any it did lose.

Another disclosure is that not one of the banks whose advertisements were standing cards showing only names of directors, etc., and none that used no newspaper advertising whatsoever, have been able up to this time to resume payments, although in one case the attempt is being made, and in another the bank has reorganized as a new concern with new officers and a number of new stockholders.

Of the seventeen failures reporting two did not advertise, eleven used standing cards, and one provided change of copy monthly; while but two banks used really up-to-date methods.

IDEAS AND SUGGESTIONS.

IT is a good plan for bank advertisers to make a practice of clipping articles from magazines, newspapers, etc., which they think may at any time come in handy in the preparation of advertising matter. This plan is especially advantageous for savings bank advertisers as there is a large amount of matter published on the subject of saving. It is often possible to take an incident or an idea from such an article and work up a good advertisement from it. This will add to the interest and variety of your advertising. We have in our office a large collection of articles and booklets, etc., on the subject of saving and we were able to draw from this to quite an extent in the preparation of our new savings booklet, "Some Ways to Save Money."

The matter of clearness in advertisements and business correspondence is one which should have the careful consideration of every bank man whose work involves any writing or dictating. The aggregate of time wasted in puzzling over incoherent and obscure letters must be very great if the experience of one office is any criterion. This company receives a very large amount of mail every day and scarcely a day goes by that there is not at least one letter which has to be passed around the office in order to get opinions as to the exact meaning of some statement contained therein. In the haste of composition, many bankers overlook the importance of a clear and exact use of English. We commend very heartily to our readers the study of a good rhetoric or such a book as Sherwin Cody's "How to do Business by Letter."

Banks which are doing their advertising in accordance with a system are in the habit of figuring out as closely as possible what it costs them to secure an account and how much profit will be made from an account. Of course, this differs with different institutions and with the nature of the account. This is a point upon which we would like to get the opinions of our readers and we would be glad to throw our columns open to a discussion of this point, especially as it bears upon the matter of advertising appropriations.

Some banks feel that they do not need to advertise very extensively because they are fortunate enough to have a very handsome bank building. While there is no denying that a conspicuous building is a very good advertisement for a bank, such advertising is mere general publicity and its results are not very easily traced. We think that the possession of a handsome banking structure only makes it more important for the bank to do some strong direct advertising as that enables the institution to give particular emphasis to what it says. It is very desirable to tie up this general publicity to more definite ideas as to service rendered and the ad-

Do Something Like This Next Month.

vantages which the individual may derive from doing business with the institution with the fact of whose existence the prospective customer is already familiar.

The Bank of South San Francisco uses this as one of its assurances of security:

We are members of the California and American Bankers' Associations. Both Associations successfully prosecute any attempt to defraud member banks through forgeries, theft, etc.

This is a good idea.

In order to provide suggestions to bank advertisers in ample time, we are reproducing herewith a number of good holiday bank advertisements. The idea of seasonal advertising is one which is used to great advantage by general advertisers and there is no reason why banks should not likewise take advantage of the holiday feeling which is in the air at this time.

The cut reproduced herewith shows how the East End Savings & Trust Co. of Pittsburgh is using an illuminated bulletin. This is located at the corner of Bellefield and Forbes Avenues and daily attracts the

Another Pittsburgh Billboard.

attention of thousands. It is particularly striking in that it represents a hand in the very act of depositing money in one of the home banks which this institution furnishes its depositors.

The securing of a good live mailing list is one of the most important, if not the most important, feature of a follow up plan. A method which is being used by some banks which have secured a quantity of our savings booklets, "Some Ways to Save Money", for distribution in their territory, is to secure the assistance of some reliable person in each town or village and pay him perhaps half a cent a name to secure a list of names and addresses of farmers, merchants, householders and others who could be considered good prospects for a banking by mail proposition. We consider this a good idea, as it enables the bank to get a really reliable list. The way to check up such a list is to send a reply post card to each one on the list asking him if he would like to receive a free copy of a book on practical methods of saving money which the institution has just issued and is sending to all persons interested.

In the "Theory and Practice of Advertising" by George N. Wagenseller, A. M., is the following very sensible argument as to the importance of changing copy of advertisements with every insertion:

If you were to pick up a newspaper today and find it contained the same news articles and the same editorials you read yesterday, you would not read them again and you would throw the paper aside in disgust. If you do not wish to read the same news over the second time, do you think any one wants to read your stale ads. day after day for a month?

Make your ads. contain your store news; change them every day and make them interesting. People are looking for news and are willing to read it. Do not insult them and in addition commit commercial suicide by allowing your ads. to be repeated again and again.

There are plenty of new things to say each day. Most young writers will want to get everything in the first ad. Often they try to crowd more in than they should. Save some of your ideas for the next day. If people say as much in their advertisements as they think they say, there would be plenty of wisdom lying around loose.

ADVERTISING LITERATURE.

A Review of Several Publications of Value to Everyone Interested in Publicity Matters.

THE Theory and Practice of Advertising", by George W. Wagenseller, A. M., is an elementary course in the art of successful advertising especially adapted for use in business and literary schools and for private study. It is published by the Wagenseller Publishing Co., Middleburgh, Pa., and the price of the book is $1.00. The volume contains 50 lessons, the titles of which are as follows:

Introductory; Some definitions; Synonyms; Use simple words; Sentences; Business English; The sentence paragraph; The simile. The metaphor; Avoid humor; Earnestness and personality; Be truthful; Getting the data; Description and prices; Be specific; Changing ads.; Advertise constantly; Advertise thoroughly; Be governed by circum-

stances; The head-line and the argument; Selecting the newspapers; How much money to spend; Planning an advertising campaign; Retail advertising; Bargain sales; Magazine advertisements; Trade papers; Billboards; Street car cards; Booklets; Catalogues; Type points and ems; Printing office information; Laying out the ad.; Type dress; Character of printing; The utility of pictures; Giving the idea to the artist; Half-tone cuts; Zinc etchings and wood engravings; Copy for the engraver; The value of an inquiry; Card and follow-up systems; Tracing results; The advertising manager; The department store; Mail order system versus salesmen; Have an observing eye; The character of the periodical; Good common sense.

We have carefully read over the lessons in this course and we can conscientiously recommend it to any bank man or advertising manager of an investment house as a practical means of improving himself in his work. While the study of any such course as this will not in itself make a man an advertising expert, there is no doubt at all but that the careful study of such a work will lay a good foundation for success in advertising and the preparation of advertising matter

"Practical Advertising," a Course in Advertising Instruction by the Lord School of Practical Advertising, New York.

This course is a very complete one as can be readily seen from the titles of its ten parts which are as follows:

Purposes of Advertising; Advertising Mediums; Writing Advertisements; Typography, Engraving and Printing; Retail Advertising and Department Store Advertising; Mail Order Advertising and Follow-up Systems; Ask-the-Dealer Advertising; Advertising Management; The Advertising Agency; and Selling Advertising.

This is a correspondence course and it is one of the most complete which it has ever been our privilege to examine. The printed lessons, the titles of which have been given above, are only part of the instruction given. The particularly strong point about this course is the fact that it is given by a man who is actively engaged in the advertising business, being the head of a successful advertising agency, and if there is any place in the world where advertising ideas and theories are tested in the light of practical experience, it is in an advertising agency, so that the person who takes up this course can be assured that the instruction he receives is practical in the highest degree.

Undoubtedly there are quite a number of readers of this department who are thoroughly in earnest in their efforts to master the subject of advertising and to get the greatest possible amount of practical good from the expenditure which their institution makes in publicity. To all such persons we heartily recommend the taking up of such a course as this.

"Successful Advertising: How to Accomplish It," by J. Angus MacDonald.

This book has for years been a standard text-book of advertising, especially retail advertising, but it is a practical work for all advertisers and business men. It consists of almost 400 pages and has a complete index of subjects. The author is one of the most successful advertising men of the country, having handled the advertising of a number of large institutions. The sample of advertisements given and the list of talking points and apt phrases form valuable features of the work. The book is well printed and bound in cloth. The price is $2. The Bankers Publishing Co., 90 William st., New York, will have the book forwarded to any address upon receipt of price.

The October number of the "Profitable Advertising" magazine, of Boston, is a special number issued in honor of the 225th anniversary of the founding of Philadelphia. It is handsomely printed in colors and contains a vast amount of matter of interest to all business men. It is generally admitted in business circles that the best advertising in the United States is done in the city of Philadelphia and it is also admitted that some of the best advertising agencies and some of the most successful publications in the country are to be found in Philadelphia. These features are brought out in this special number of "Profitable Advertising" and a great deal of interesting information is given concerning Philadelphia and its many famous industries and places of historic interest.

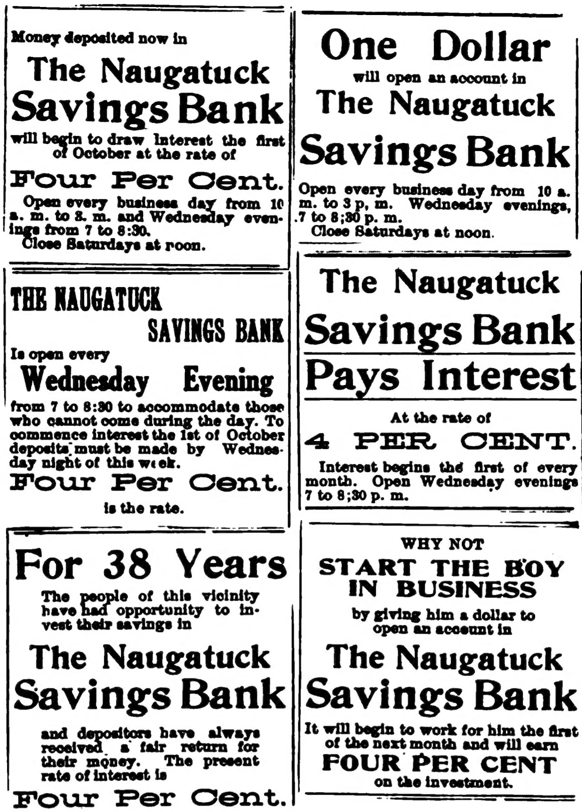
ADVERTISING CRITICISM.

Remarks on Financial Advertising Submitted for Criticism.

Mr. H. A. Dalby, teller of the Naugatuck (Conn.) Savings Bank, writes as follows:

I take the liberty to enclose a few samples of my newspaper ads.—hoping that if you find time you will offer such criticism as may occur to you. I presume it is very crude, inasmuch as my experience has been confined to one month, but I am willing and anxious to learn.

We are reproducing some of the newspaper advertisements submitted by Mr.



Lack of Uniformity in Style.

Dalby, and following is a copy of our criticism:

We think that you are making very good use of small space, but we think that the ads. would be better displayed if you did not try to use too many different styles. We think that you ought to adopt one particular typographical style and stick to it. Of the seven ads. you sent us, no two are alike typographically. Our suggestion is that you have an interesting display head line and that the only other display line be the name of your bank either in the middle or at the end of the ad. You could "key" your advertisements and make them more effective if you offered to give something away and have persons call at the bank for it, a booklet, for example.

HOW BANKS ARE ADVERTISING.

Note and Comment on Current Financial Publicity.

THE handsomest booklet which has come to our desk in the past month is that issued by the National Bank of Commerce, Kansas City, Mo. It is entitled, "Financial Progression." The booklet is printed in three colors on very fine super-calendered paper and is illustrated by a large number of superb half-tone cuts of interior and exterior views of the bank building and portraits of the officers. There is a particularly fine portrait of William Barret Ridgely, president of the bank and former Comptroller of the Currency, in speaking of whom the booklet says:

Mr. Ridgely is a man of affairs and a banker of broad experience. He and his brother, Edward Ridgely, cashier, are grandsons of Nicholas H. Ridgely, who established the banking interests of the family in 1834, at Springfield, Illinois, where the Ridgely National Bank, owned and managed by members of the family, is still in successful operation.

Every department of the bank is thoroughly illustrated by cuts and text and the whole makes an extremely handsome piece of advertising. The work is devised and edited by H. S. Harman of Kansas City.

It May Be Arithmetic, But It's Not SPELLING.

The Bank of Pittsburgh, National Association, gets out a particularly attractive statement folder, which, in addition to the customary information, contains very attractive half-tone cuts of the exterior and interior of the bank building.

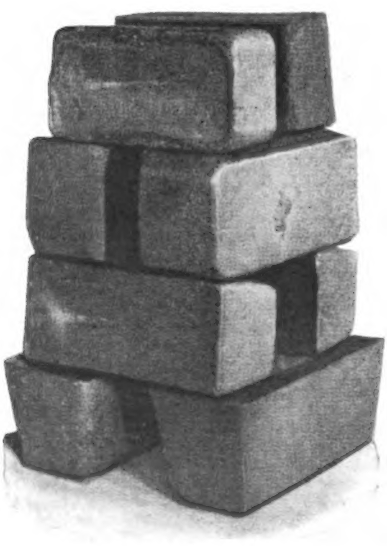
A bank which makes a specialty of attractive statement folders is the Old National Bank of Spokane, Wash. The latest statement of this institution shows a very satisfactory growth, the increase in deposits as shown by a comparison of the February and September statements of this year being $1,638,339.20. W. J. Kommers, assistant cashier of this institution, who has charge of its advertising, says that he makes a point of varying the design of the folder with each statement. He "aims at something different without being freakish, something striking yet dignified, good harmony of color, type and arrangement, and lastly, but mostly, bringing out the telling figures."

The Bank of South San Francisco, C. F. Hamsher, cashier, on checks which it has printed for the industrial concerns which are its customers, uses a delicate green tint block map showing the exact location of South San Francisco in relation to San Francisco and the surrounding territory. This bank issues a very good monthly house organ and is up-to-date in its advertising methods generally.

The "Sphinx" is the name of a monthly house organ published by the Central Bank & Trust Corporation of Atlanta, Ga. Among the articles in the October number are the following: The Financial Situation; Progress of the Currency Commission; Sweet are the Uses of Adversity; Trust Companies as Executors; Our Real Contest With Japan, Commercial and not Warlike; The Foreign Exchange Market; Trust and Investment Department; Review of the Georgia Bankers' Convention; Savings Department; Safe Deposit Boxes; Women's Department; Personals and other miscellaneous matter. The paper carries some general advertising of local concerns which probably will help to defray the expense of the publication.

The Commercial National Bank of Raleigh, S. C., issued a souvenir booklet in honor of its seventeenth anniversary. The booklet is a straightforward exposition of the ways in which the institution is ready and willing to serve the people of its community.

The pile of gold bricks shown in the cut reproduced herewith was on exhibition at the First National Bank of Colorado Springs, Colo., for the benefit of members of the American Bankers Association at-



A Good Window Display—$150,000 in Gold.

tending the convention in Denver in September. The value of the gold was $150,000. It was part of the product of the Cripple Creek Mines of Colorado.

The Granite Savings Bank & Trust Co. of Barre, Vt., makes good use of novelty advertising. H. G. Woodruff, treasurer, has favored us with a set of advertising blotters used by his institution. The printed matter is very good and ought to prove effective. This bank is also a regular user of newspaper space.

The Colonial Trust Company of Pittsburgh advertised its bank as being one of the points of interest to visitors at the time of the recent Sesqui-Centennial celebration of that city. All visitors were welcomed and special efforts were made to point out to them the beauties of the company's place of business.

The American National Bank of Indianapolis uses blotters with attractive nautical cuts to advertise its new steamship ticket department.

Among other banks which have sent us interesting samples of their advertising in the past month are the Northwestern National Bank of Minneapolis, the Dominion National Bank of Bristol, Va.-Tenn., and the Union Trust Company of Chicago.

Frank C. Mortimer, assistant cashier First National Bank of Berkeley, Cal., has favored us with a very complete collection of advertising matter used by his institution. It includes the following:

FIRST NATIONAL BANK OF BERKELEY
AND
BERKELEY BANK OF SAVINGS

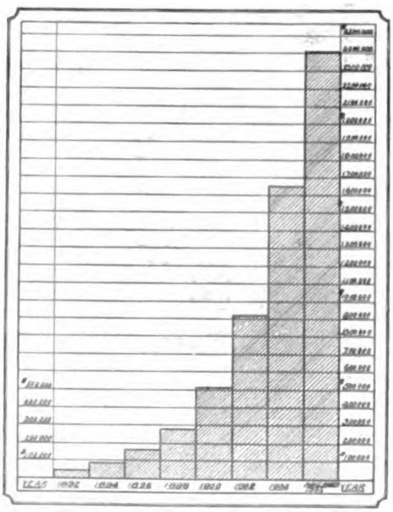


CHART SHOWING GROWTH OF COMBINED DEPOSITS

An Effective Chart.

A general descriptive booklet of the First National Bank and Berkeley Bank of Savings, which are associated institutions. This booklet contains a chart illustrating the growth of deposits which is such a good one that we reproduce it herewith for the benefit of other advertisers.

A booklet entitled "The Story of Berkeley." This is an extremely handsome booklet, thoroughly illustrated, showing views of the business houses, residences, institutions, parks, etc. of the beautiful California city, including a two-page cut of the Greek Ampitheatre at the University of California. The only advertising of the bank in this booklet is the sentence in the corner of the cover, "This booklet is handed you through tne courtesy of the Berkeley National Bank, Berkeley, Cal."

A four-page folder on "The advantages of a checking account." This contains a very concise and effective argument on this subject. A small photograph of the bank building is tipped on to the front cover of the leaflet.

An introduction card, reading as follows:

To the Cashier of
The First National Bank, Berkeley, Cal.
This will serve to introduce
M ....
of ....
whose signature appears below, and to whom you are requested to extend the facilities of the Bank.

A comparative statement of the banks of Berkeley showing the leading place held by the associated institutions.

A card supplied to employers of labor by the First National Bank a year ago during the use of the Clearing--House certificates, containing a notice that such certificates would be accepted by banks for deposit and by tradesmen and merchants in full settlement of accounts. At the same time, a card was issued advertising the fact that the bank would receive special coin deposits for the convenience of those who found it necessary to use coin at that time.

Several other cards suitable for enclosure in envelopes are being used to advertise the savings department, etc.

In the newspaper advertising, this ban' uses about 4"x2-column space and the copy is prepared in series, one of the latest being a series of 12 reasons why it is advisable to start a checking account with the bank. The copy is very good and the advertisements are well displayed. The cut of the bank building is used in each advertisement as a sort of trade-mark.

A Group of Emblems.

This bank also uses novelties. Among the samples sent is a lead pencil and a key ring, both bearing the name of the institution.

The Franklin Trust Company of New York has been using the following form letter:

Dear Sir:

During this period of inactivity a Trust Company is the most profitable depositary for your funds.

We extend you a cordial invitation to avail yourself of the facilities offered by this company at its office, 140 Broadway, which is convenient to your office.

We are glad to open small or large accounts, and allow interest on balances of $500 and over.

Should you be unable to call here, we shall be pleased to make an appointment for our representative to see you at your office, at any time that suits your convenience.

Hoping to be favored with at least a portion of your business, we are

Very truly yours,

FRANKLIN TRUST COMPANY

By Geo. H. Southard, Jr.,
Third Vice-President.

INJUSTICE OF THE INSURANCE SCHEME.

CHARLES H. HUTTIG, president Third National Bank, St. Louis (in "New York Times"):

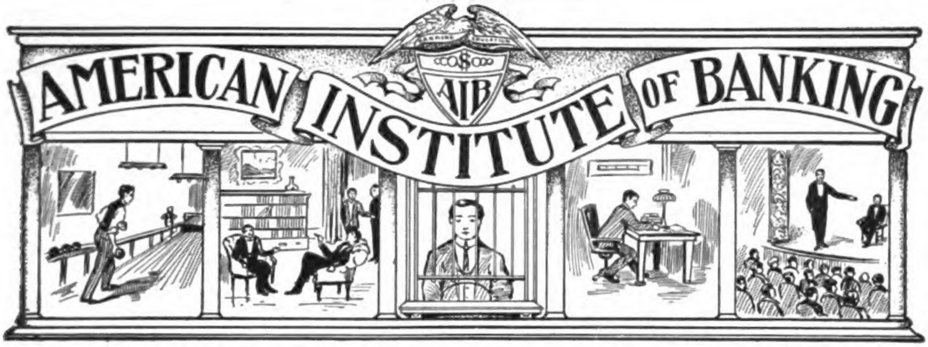
It is manifestly unjust to the bank to require it to pay for this insurance of deposits out of its profits, and in turn not be protected against loss in the loan department, which, as stated before, is the principal creator of deposits. It is, however, a mistaken idea that banks will pay for this insurance out of their net profits. Its cost becomes an item of expense to the bank, which is bound to be included in the general expense account, and the whole proposition of government guarantee of deposits really means co-insurance of deposits, and the depositor must, in the last analysis, pay for the protection extended. You can no more have your deposits insured free of cost to you than you can get your buildings insured at the expense of some one else.

Under the guarantee plan the indirect liability of a bank would be unascertainable, but it is bound to be of vast proportions as compared with its direct liability to its depositors. In the late panic every bank knew that its obligations to its depositors were limited to the amount of the bank's deposits; if, however, the system of guaranteeing every other bank's deposits had been in effect no banker could have estimated the extent of his obligations. By no process of financial or commercial logic can you find wisdom in the theory that one bank should guarantee the deposits of another any more than should merchants guarantee each other's creditors against loss.

INDIVIDUAL BANK DEPOSITS.

THE individual deposits in all banks in the United States at the close of the fiscal year aggregated $12,784,511,169, against $13,099,635,348 a year ago, a decrease for 1908 of $315,124,179. In 1900 the individual deposits totalled $7,238,986,450, so that in eight years there has been an increase of $5,545,524,719, which is equal to 76 per cent.

The falling off at the rate of $1,000,000 per diem during the last year was due to the financial upheaval and later to withdrawals by those affected by the business depression.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 25th of the month to be in time for the following month's issue.

WHAT A GOOD TELLER IS.

Some Excellent Pointers from the Experience and Observation of an A. I. B. Man.—By Samuel J. Henry, Washington, D. C., Vice-President American Institute of Banking.

IN a bank the teller carries no small part of the burden of winning the good will of the public, and maintaining the favor of patrons. Of all the bank's employes there is no one who is a surer trade magnet than an able, diplomatic teller. He is a continuous advertisement. Meeting as he does the public generally his actions, his way of doing business, have a bearing on the bank's growth and prosperity almost equal in importance to that of the conduct of the higher officials themselves. Indeed, the teller often makes more friends for the bank than do his superior officers.

Now, what are the qualifications of a good "counter" man? They are many and varied. Here are a few:

In the first place he puts at ease all who have business with him because he knows that many persons are naturally nervous and excited when they transact bank business. He suggests methods to the uninitiated that will avoid danger and trouble in the transaction of financial affairs. Thus he gains not only their confidence but their gratitude as well.

Never Irritable.

He is never irritable in spite of the fact that this condition is usually a by-product of sedentary employment. Nor does he allow his digestion to be the governor of his moods, and to the contagion of an angry customer he is immune. With constant demands on his time and patience he tires not. Frequently interrupted in the middle of a column of figures or with a big package of bills half counted his equanimity is imperturbable. His duties call for a combination of congeniality and business abil-

Samuel J. Henry.

ity. Figures and cash he handles both rapidly and accurately. With fools and wise men, aristocrats and plebians, as his constantly changing vis-a-vis, preposterous demands and ridiculous requests his unpalatable daily menu, his tact and knowledge are constantly in demand.

Cautious and Conservative.

Alternately the teller is adviser, confidant, conciliator. The man with a "kick" kicks to him. He must smooth the ruffled brow and calm the troubled feelings. Being the mouth-piece of the bank in certain matters at the window, he is cautious and conservative in his language. And, he never blocks his window for personal affairs. Above all he earnestly strives to make every individual with whom he deals feel that it is a pleasure to do business at the bank; that patronage, however small, is appreciated and that first, last, and all the time the bank is looking after and protecting the interests of its customers and depositors. Such is the way of the ideal teller.

PHILADELPHIA'S FIRST "BROADSIDE."

"Coming Tariff Revision" and "Trusts and the Individual" Discussed.

FOLLOWING the opening "smoker" of September 18th, which was the occasion of the opening of the handsome new assembly rooms in the stately Roger Williams Building at Seventeenth and Chestnut Streets, the Quaker City Chapter held another record breaking meeting in point of attendance and interest on October 2nd. In spite of the fact that fifty-three new members had enrolled in the interim, the average attendance for the two meetings exceeded sixty per cent. of the total membership of the chapter.

The initial speaker of the evening, Charles H. Harding, a prominent member of the Manufacturers' and National Committees on Tariff Adjustment, handled the difficult subject "The Coming Tariff Revision" in a most interesting and instructive manner. After a brief but careful review of conditions in the United States at the inception of tariff legislation, Mr. Harding showed how gradually the favorite phrase "protection for infant industries" became more and more a misnomer until its final disappearance with the "tin plate" enactment in the late McKinley Bill.

The attention of his hearers was then directed to the fact that, owing to the United States Government having no power of direct taxation, this power being in the hands of the States, counties and municipalities, practically the only sources of revenue left to the national government are the internal revenues and those received from imports. In Europe, however, notably Great Britain, the central government has the power of direct taxation of its citizens.

Mr. Harding then discussed at length the relations of the producers and consumers of this country, and pointed out some of the fallacies existing in the minds of the latter with regards to tariff ills. Of especial interest was his discussion of the existing misunderstanding of the relations of rates on raw materials and those on finished products, which defects were strikingly illustrated by the Lamented Wilson Bill. He also cited the experiences of England along this line and the remarkable changes in sentiment toward tariff reform as indicated by the rapidly increasing tendency towards protection as practiced by the United States.

In conclusion, Mr. Harding called particular attention to the fact that the present tariff schedule is the result of over one hundred years experience; and that, even in the event of so radical a President as Mr. Bryan, with the complexion of the House and Senate committees on tariff remaining any way near its present status, no sweeping changes may be expected before the Fall of 1909 or the Spring of 1910, owing to the technical difficulties in connection with each tariff provision. He was inclined to lean towards a belief that the fair and candid tariff planks in Mr. Taft's platform, if carried out, would bear greater results if he should be elected, than those of Mr. Bryan.

The second speaker of the evening, Talcott Williams, one of Philadelphia's most enlightened journalists and scholars, delighted the young bankers present by an able discussion of the subject "Trusts and the Individual". Time forbade Mr. Williams from treating his subject in any other than a colloquial way, but by so doing he kept well within the range of his hearers. Of unusual interest and instruction to the young men was the manner in which he dispelled some of the existing ideas with regards to this being the day in which individual merit has limited opportunity. In doing so, he gave a most comprehensive review of business conditions from colonial days up to the present time, pointing out the many difficulties in the way of family holdings and influence, limited fields of investment, etc., which practically left the only alternative of entering business for

themselves on the part of the young men of the past. That this condition of affairs was not always what it is at present claimed to be, was evinced by the terrible record of failures which were strewn along the shores of business seas. Particular emphasis was laid upon the fact that the wealth of the country was in the hands of the fortunate few as compared to the great army at the present time. The great benefit to humanity occasioned by the development of corporate holdings was never so apparent as at present. Never was opportunity for individual merit and ability presented to the young men, as at the present time. The intense competition and close margin of profits which is so apparent in modern business, must of necessity compel corporate enterprises sooner or later to utilize the best men in order to continue in the race.

In regard to the broadening of the avenues of investment, the speaker enumerated some of the few open to early investors, such as national, state and municipal securities, real estate and individual enterprises. He pointed out the repeated disasters and uncertainty which were almost always the rule in early times, and contrasted them with the practically unlimited fields of investment of the present time and their remarkable steadiness and safety.

Mr. Williams frankly acknowledged his complete change from his early convictions with regards to trust problems, such change being the result of long and close study of past and present conditions. In pointing out the apparent abuse of corporate power he handled this phase of his address without gloves. In conclusion, however, he predicted that the nation that had been founded amid such trying conditions, had met and settled the terrible problems of the past, would see to it that no evil, no matter how well entrenched, could long flaunt its banner in the faces of honest men. Just as soon as our best men would determine that the law shall be administered justly, relentlessly and fearlessly, these running sores in our civic life will be met and vanquished in a manner as will well become our noble land.

Such eminent authorities as these two speakers are but indications of the manner in which Philadelphia Chapter intends to keep its members and friends informed not only on matters of banking and finance, but on the most pertinent topics of the day.

E. Leslie Allison,
Chm. Press Com.

October 9th, 1908.

CONSTITUTION OF CHICAGO CHAPTER, A. I. B.

Article I. Name and Object.

I. The name of this organization shall be "The Chicago Chapter of the American Institute of Banking." Its object shall be to promote the educational and social welfare of the bank men of Chicago and vicinity; subject to the general regulations of the American Institute of Banking.

Article II. Officers.

1. The officers shall be President, Vice-President, Secretary, and Treasurer, who shall be elected at the annual meeting and shall serve for one year, or until their successors are elected and qualified.

2. The control of this organization shall be vested in an Executive Committee consisting of the officers aforesaid and five additional members. Such of these additional members as shall be necessary to complete the committee shall be elected at the annual meetings to fill the places of those whose terms of office expire and shall serve for a term of three years, or until their successors are elected and qualified.

3. The duties of the executive officers shall be those pertaining to their respective offices. The Treasurer shall render an accurate report of the Chapter finances to the Executive Committee, as often as called for by them, and all such reports shall be published in The Bank Man. He shall render a final and complete report at the annual meeting in May.

4. The Secretary shall be bonded in the sum of one thousand dollars by a Surety Company. Said bond shall be subject to the approval of the Executive Committee and paid for by the Chapter.

5. The Treasurer shall be bonded in the sum of five thousand dollars by a Surety Company. Said bond shall be subject to the approval of the Executive Committee and paid for by the Chapter.

6. The Executive Committee shall have general charge of the affairs of the Chapter. They shall audit all bills; they shall have power to appoint sub-committees for special purposes; they shall provide suitable places for the meetings of the Chapter; and they shall select topics for study and discussion and provide persons to lecture or lead the discussions. They shall also provide for the publication of The Bank Man and exercise a general control over its finances.

7. Upon election to an official bank position, the term of office of any officer or

member of the Executive Committee shall terminate upon the election of and qualification of his successor, and his successor elected as provided for in Article 4, Section 5.

Article III. Membership.

1. Any male employe of a bank or financial institution who does not hold an elective official position may become an active member upon his own application and the payment of the yearly dues and subscription to The Bulletin and to The Bank Man.

2. Any member of another Chapter of the American Institute of Banking who shall deposit with this Chapter a card issued by the Secretary or Recorder of the Chapter of which he is a member shall thereupon become a member of this Chapter.

3. Upon application to and election by the Executive Committee any person professionally interested in banks or banking may become an associate member. Associate members shall have the privileges of the floor at all meetings of the Chapter, and shall have a vote at elections but shall not be eligible to hold elective office.

4. Upon the recommendation of the Executive Committee any person may be elected an honorary member by unanimous vote of the members present at any regular meeting of the Chapter and when so elected shall pay no dues.

Article IV.

1. Any active member may become a candidate for any office or for delegate to the National Convention of the American Institute of Banking by presenting a petition signed by at least 20 active members of the Chapter, which petition shall be presented by any endorser thereof at a regular or special meeting to be held two weeks prior to the day of election.

2. An Election Committee of five shall be appointed by the president at least one month prior to the day of election which committee shall arrange all details of election subject to the direction and supervision of the Executive Committee. The Election Committee shall place in nomination at least one name for any office for which no nomination shall have been made by petition, and also supply a sufficient number of names to complete the list of delegates.

3. The names of an nominees for each office, including delegates, shall be placed on the official ballot in one column in alphabetical order under the head of the office.

4. There shall be no limit to the number of names placed in nomination for delegates; provided, that no member shall vote for a greater number of candidates than that to which the Chapter may be entitled. The nominees in excess of said number shall succeed to places on the delegation in order of their vote. The President of the Chapter shall be delegate-at-large to the annual convention.

5. Voting for officers and delegates shall be by secret ballot. All ballots to be marked in booths provided by the Chapter. No other form of ballot than the one hereinbefore provided shall be used on the day of election. The Election Committee shall supply every member of the Chapter with a sample ballot on different colored paper at least one week prior to day of election.

6. Any vacancy or vacancies which may occur in the Executive Committee shall be filled by vote of the Chapter at any of the regular meetings; provided, that notice of such election shall have been given at the regular meeting immediately preceding said election.

7. A complete list of Chapter members with their bank addresses shall be published each year in the February issue of The Bank Man. No other list of members shall be published or given out.

Article V. Dues.

1. Each active member shall pay dues to tnis Chapter amounting to one dollar per year, payable in advance; and in order to become possessed of the privileges of the Chapter is required to subscribe to The Bulletin of the American Institute of Banking and to The Bank Man through the Chapter Secretary, as agent, at the rate of one dollar per year for each publication, payable in advance.

2. Each associate member shall pay dues to this Chapter, amounting to five dollars per year, payable in advance, and shall receive The Bulletin and The Bank Man from the Chapter.

Article VI. Meetings.

1. The annual meetings of the Chapter for the election of the Executive Committee and the Officers, and for such other business as may be brought before it, shall be held on the second meeting of May in each year.

2. Regular meetings of the Chapter shall be held on the second and fourth Tuesdays of each month from September to May, inclusive, or, at such other times as may be fixed by resolution of the Chapter, or a vote of the Executive Committee.

3. Special meetings shall be called by the President at the request of a majority of the Executive Committee or upon request, in writing, of twenty-five active members in good standing.

4. All questions of procedure shall be

subject to Roberts' Rules of Order, except as otherwise provided in the Constitution.

5. Fifty active members shall constitute a quorum to transact business.

ARTICLE VII. AMENDMENTS.

1. This Constitution may be altered or amended by a vote of two-thirds of the members present and constituting a quorum at any regular meeting of the Chapter, the proposed alteration or amendment having been offered and read at the previous regular meeting and filed with the Secretary.

A BANK CLERK'S VACATION.

A NEWS item from Becket, Mass., dated October 11th, gives interesting facts concerning a long walk made by a Boston bank clerk. The item is as follows:

Ernest D. Weller a clerk in the Shawmut National Bank in Boston, was a guest at the Claflin hotel over last night. Mr. Weller is on a two weeks' vacation, and is taking a hike from Boston to Albany, following the highways in as nearly a direct line as possible, and hopes to make the trip in eight days. He left home on Saturday morning, Oct. 3, and made Worcester the first day. This was too much for a starter, and he made little headway on the next day. He put up in Huntington Friday night, and was given directions for a short cut to Pittsfield. The directions were hard to follow and he landed in Becket last night, coming by the way of Middlefield hill, traveling 20 miles according to his pedometer, and going without his dinner, as he found no inn on his way. He left at 8.30 o'clock this morning for Albany, expecting to reach there in three days.

WORDS OF PRAISE.

The Retiring President of the A. I. B. Commends the Institute.

IN his address before the meeting of the American Bankers Association at Denver in September, Col. J. D. Powers, the retiring president, had this to say about the work of the Institute:

About ten years ago, this association authorized the organization of an educational branch of the association, which resulted in the American Institute of Bank Clerks. The work was so intelligently prosecuted that its new members not only took a lively, but beneficial interest in its growth, and organized chapters throughout the country, made up of the bright, intelligent and thoughtful young men who were in the employ of members of this association. They have recently taken on a new name, differing slightly from their original patronymic, and are now called the American Institute of Banking.

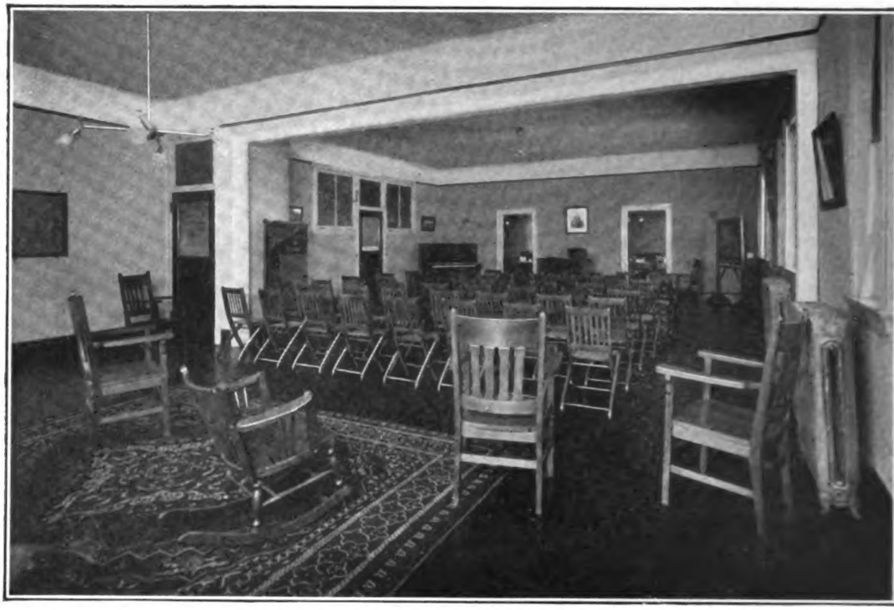
To this institute and its magnificent work, we may confidently look for the improved, educated and broad-minded banker of the immediate future. Its work has been along the best possible lines of education and it has reached such magnitude in importance and numbers as to request to be admitted as a section of this association, and to receive in the future, that which has been accorded to it in the past, the protection, encouragement and help of the association. It is the outgrowth of your fostering care, and as our oldest and most cherished offspring, is in my judgment, entitled to full participation and representation in the association, and should have special representation on the executive council. We have given of our bounty to the education, encouragement and upbuilding of its membership, and now that it is so abundantly able to stand alone and assert itself for good, I feel that it should be taken into full fellowship. Its members are young men of courage, pluck and ability. They have won their spurs in the battle of endeavor; they possess the requisite qualities of courage, education, industry and ability to create a demand for their services, and they are destined to march forward to that goal of success which will make us proud of their achievements. They will go onward and upward, knowing that there is always room at the top for good and true men. I hope to see them installed as an integral part and special section of this great organization.

ORIGINAL WORK AT SEATTLE.

THE Seattle Chapter will collect samples of every form used in the banks of Seattle, segregating those of state and national banks, and a part of the chapter's work this winter will be to work out its idea of a model bank, under both national and state charters. When this work is completed it is believed that some excellent ideas will be ready for submission to the managers of the several banks whose employes constitute the chapter.

NEW YORK CHAPTER NEWS.

WM. SCHERER, manager of the New York Clearing-House, delivered a convincing address in opposition to the government guarantee of bank deposits at the meeting held on October 8. He was followed by H. K. Twitchell, assistant cashier of the Chemical National Bank, who spoke very entertainingly on the subject "Money Not All." On October 22 Edmund D. Fisher delivered an address on "The Meaning of the Panic." He said in part: "The experiences of the last panic give us a better idea of how business should be done. The most vital thing is a better idea of the causes of panic. The meaning of panic is the cumulative force of business error. We cannot go on year after year without making a clearing of mistakes, and panic is a clearing of errors. A business man makes mistakes in prices of merchandise though his business may keep on increasing so that he does not clearly realize the result of his errors in the impairment of his capital or otherwise; so also banks have made mistakes in tying up their funds in real estate, and so forth. Those who made the fewest mistakes weathered the storm. The others went down,



Baltimore Chapter's Club Room.

though some have resumed and the others liquidated." In discussing the theory that panics are caused by a wave of distrust sweeping over the country he said: "The psychological element is the superficial appearance of an unhealthy condition."

The Board of Consuls held an informal dinner on October 15. There was an attendance of forty-three and many valuable suggestions were made for the promotion of cordial relations between the old guard and strangers. The afternoon study courses at 5 Nassau street have proved a great success, over one hundred members having enrolled in the three classes. Every indication points to this being the most successful season in the chapter's history.

LOUIS N. ROE,
Chairman Press Committee.

October 26, 1908.

THE AUGUSTA CHAPTER.

THE Augusta, Ga., "Herald" of October 21st said:

The Augusta chapter of the American Institute of Banking held an enthusiastic meeting Tuesday night in its club rooms in Miller Walker hall, and Rufus H. Brown, manager of the Augusta Clearing-House, delivered an address describing the proceedings of the American Bankers' Association convention, in Denver.

The president, Jos. P. Bartley, was authorized to appoint a social committee to look out and care for social affairs of the chapter, and Messrs. Marion G. Ridgely, F. R. Clark, Jr., W. S. Wiggins, Alvin McAuliffe, and Richard Riley were named. They will at once take up their work and arrange for a special banquet, which will be given within the next month.

A house committee composed of Messrs. Nolan Bowden, Carroll Magarahan and D. B. Dowling was named for the purpose of formulating rules for governing the chapter, looking after rooms and furnishing and other similar matters.

This places the local organization on a working basis and establishes it as one of the leading societies of its kind in the country. The members are taking great interest in the meetings as evidenced by their regular attendance, and great good has already been accomplished by the organization.

ROCHESTER STUDYING LAW.

A CLASS in commercial law was organized by the Rochester Chapter October 7th. It will be under the direction of F. G. Nichols, of the Rochester Business Institute. The class had its first lesson October 14th. It dealt with contracts.

BALTIMORE GETS BUSY.

BALTIMORE CHAPTER inaugurated its fall and winter season on Tuesday, October 13, with an address by Henry Clews, of New York, Mr. Clews' subject was "No Government Guarantee of Bank Deposits and No Ownership of Railroads", and he handled his subject as only a man with fifty years' experience in the banking business can.

In assailing Mr. Bryan's Government guarantee theory, Mr. Clews made the following telling shots:

The Government guarantee of bank deposits . . . is unsound in principle and fraught with great danger, both to the Government and the business of the country.
It would, therefore, be one of those blunders that are worse than crimes.
It would be a long step toward socialism, and socialism is antagonistic to free government and individual independence.
A guarantee system would destroy the incentive for sound banking and place a premium upon unsound banking so that the reckless and inefficient banker would be on the same footing with the prudent and experienced banker, all of which is unthinkable.
As a radical measure it would be entitled to rank with the "16 to 1" silver heresy, which was happily exploded and discredited in time to prevent its enactment by Congress.

Mr. Clews was listened to very attentively by a large audience, not only of bank clerks, but bank presidents, cashiers, and other officials, who heartily agreed with what he said.

Baltimore Chapter held its first meeting of the season in its new rooms in the Calvert Bank Building. They were very prettily decorated with palms, and cut flowers of all kinds were in abundance, a very fine musical program was rendered, after which Mr. Clews held a reception to all present.

James D. Garrett, of the Central Savings Bank, is president of Baltimore Chapter, and Raymond B. Cox of the First National Bank is vice-president.

From the most excellent attendance of the bank men at the first meeting, it is predicted that the coming season will be the most successful Baltimore Chapter has ever experienced.

CLIFTON K. WELLS.
First National Bank, Baltimore, Md.
October 26, 1908.

SALT LAKE CITY CHAPTER.

ON October 15th the Salt Lake City "Tribune" said:

The bank clerks of the city met at the Commercial Club, Wednesday evening and effected a reorganization of the Salt Lake Chapter of the American Institute of Banking.
A constitution and by-laws were adopted and the following are the officers elected: President, J. H. Patrick, of McCornick's Bank; vice-president, L. C. Voorhees, of Walker Bros.; secretary, G. H. Butler, of the Utah National; treasurer, R. R. Sharkey of the Commercial National; executive committee, R. W. Barnes of Deseret National; F. M. Mickelson of the Utah Commercial and Savings, and W. G. Scott of the Utah Savings and Trust Co.
It was decided to form classes, hold debates, and lectures will be given by prominent bankers.

CHAPTER AT OMAHA.

AN OMAHA chapter of the Institute was organized October 22. Meetings will be held on the first and third Tuesday nights of each month. The officers are: President, W. B. Hughes; vice-president, George T. Zimmerman; secretary, Otis Allison; treasurer, F. R. Gosney.

A Corner in Baltimore's Quarters.

LETTERS TO THE EDITOR

MONETARY DEPRESSIONS AND PANICS—THE SAVING FACTOR.

Editor Bankers Magazine:

SIR: Panics have come and panics have gone, and on each successive recurrence financiers and economists theorize and argue as to the causes leading up to them and the effects left in their wake. We shall no doubt have panics in successive periods or cycles just so long as the fundamental factors which must exist in order to make a panic possible are in evidence in every-day business transactions throughout the world. There must be something for which there is a demand and supply, of course, to make business dealings in merchandise and money possible. With that a factor, there necessarily develops the system of credits throughout the world in connection with the selling of merchandise, which has become of so broad and complex a nature—each particular credit starting from the inception of the manufacture of any specified merchandise from perhaps the obtaining of money at first on credit for the manufacture of these certain goods and so on through the various stages to the consumer, up to which time credit to a greater or less degree may have been granted to various people until the goods have reached their final destination to be consumed or worn out, or permanently used.

Now, unless credit be in existence (and there must be a demand and supply to make credit possible) and credit being to a great extent if not wholly a matter in which confidence plays the greater part, business transactions resolve themselves into a matter of mind so to speak, that mind being either of a hopeful nature or else of a despondent and non-hopeful nature, with or without confidence in the immediate or ultimate future of business stability; so that, as the saying is, "nothing succeeds like success," and business being prosperous generally throughout the country, the merchant and manufacturer have every incentive and, we may say, temptation, to push their business and credit far beyond the future demand for the stock of goods laid in; and also the large line of credit availed of by the same merchant and manufacturer, that credit being given for the very same reason that the mind in each case was of that hopeful and confident nature which saw a bright and prosperous future; and that same process is pursued, stretching more and more until the hitherto unknown quantity of demand begins to gradually show that the supply is far in excess, meaning of course an over-production of merchandise which must await the assimilation of the already purchased goods by the public or some desire to purchase, so that the public again come into the market for goods.

If money or capital can wait until such time, a panic is perhaps averted; if not, credits begin to be scrutinized more closely, in many cases refused altogether and gradually more or less the signs of an impending panic appear, here again the hopeful or non-hopeful condition of the mind coming into play, this time taking the non-hopeful view and like a rolling snowball gaining in size from contact with other non-hopeful minds until every one believes the country has gone into hopeless bankruptcy.

Now, if a plain matter of mind in a hopeful state can create an inflated condition of business and credits on the prosperity side, why cannot a matter of mind if trained to hopeful views and confidence in the future, enthuse people to keep that same confidence that proved well in the first place, only was carried too far, and gradually adjust business conditions again to a healthy state? The very reason that human nature is so varied in its make-up, with dispositions cheerful or despondent, perhaps makes it impossible that the whole world's operations can be governed by any mind cure, if we may call it that, yet to my mind such a cure would go a long way toward averting panics were it possible to be applied in judicious and common-sense doses wherever needed.

As to savings tending to avert panics, the savings of a workingman, for instance, of $1,000 when deposited perhaps in some savings institution, are again set in circu-

lation by loaning the same, and if put to a proouctive use so that labor is employed, wages are paid; and with wages, clothing, food, etc., are bought, thereby directly and indirectly making business good. Those savings, provided not too large a proportion remain in the banks idle, will go to avert a panic or depression up to that point, as previously stated. Where the unknown quantity of so much lack of demand seems plainer, then the factors above referred to operate to bring a panic closer to a point where it is impossible to stop it; or the viewpoint of mind chooses to consider that a panic must occur at any rate.

I believe savings hoarded and unemployed —that is, not loaned out by the banks— operate, if too large a ratio to the full deposits is idle, to cause a depression, if such hoarding in the banks cover a considerable part of the country. On the other hand, in seasons of great prosperity, high wage conditions and resultant large sums saved and deposited by the savers, all other things being equal, there will be a corresponding large call for loans from the banks for varied uses in the all-prosperous condition of the country, so that inevitably there comes again the over-production, loss of confidence, curtailing of credits and general depression which perhaps the millions of deposited savings under high wages in part helped to lead up to an overstrained "prosperity mind" until the crash came. By this I do not mean to imply the undesirability of a man saving his spare money and laying it by for a rainy day, but I do believe that he, with others doing the same, unconsciously contributes to the making of prosperity up to such a turning point; then unconsciously do those savers contribute in a secondary sense to a panic on account of having previously helped over-inflation and over-production.

The above reasons, in general, I believe to cause monetary and business depressions whatever evils may or may not exist in our currency system, which we trust will eventually be remedied. But until all men come to think alike, to use and exercise their judgments along somewhat parallel lines, towards attaining and maintaining the highest state of prosperity consistent with conservatism and sane and healthy minds, we shall have panics and depressions at periods more or less space of time apart; but the knowledge from an intelligent standpoint of how far in prosperous times production may be carried on with regard to the existing and probable demand, and also the largest circulation possible of money consistent with the above conditions of demand and supply, and considering that the savings above referred to go indirectly to help out the same process, then perhaps may panics be averted. But such a time is easier imagined than possible of realizing, so we shall no doubt have depressions and panics with the resultant new theories why they happened and what were the results, while gradually the merchant and manufacturer get ready to proceed again along the track of increasing prosperity to perhaps another panic, differing in causes, but nevertheless a panic.

William E. Fay.

Boston, Mass., Oct. 15, 1908.

ON REGULATING THE BANKS.

Editor Bankers Magazine:

One does not have to go far nowadays to see that questions of banking and currency are being studied as never before. I consider it a good omen that two such articles as "The Specuıators and the Bank" and a "Brief History of the Industrial Bank of Japan" should have appeared together in The Bankers Magazine for August. It would seem that the burden of both these articles is that banking in our country should be better regulated.

There has been much said (and particularly by bankers) as to the regulation of the currency (a matter with which they have nothing at all to do) and little about the control of the banks and banking. The great plea has been for an elastic currency and for larger issues of credit money. In my judgment in place of needing a more elastic currency we need a system of banking that is much less elastic than ours has proved to be.

Every one knows, who has given the subject careful thought, that the financial ills of our time have been brought on by the over-expansion of bank credit, and no one knows this better than the bankers themselves. In fact, the late panic has been called a bankers' panic. The bankers not only produced the conditions which caused the panic but they occasioned it directly by a scramble for reserves when they knew reserve moneys were getting scarce. They not only stretched the blanket to the widest limit, but when the goods began to give way each tried to tear off as big a piece as possible for his own use.

At the root of the matter lies the fact that state banks and trust companies have increased enormously during the last few years, to say nothing of the increase of national banks, and there has been no corresponding increase in the amount of reserve or real money. This has led to a cutting in half of the proportion between credit and reserve. Something had to give

way and even then nobody called for real money but for credit money—always more credit.

But the lesson has not been taken to heart. There has been a general howl about the currency and Congress has passed a law that nobody wants, just to say that they were doing something. The Currency Commission went on a junket in order to keep up the bluff and there the matter will end. Credit will go on expanding and the rapid development of our country will absorb the overplus for a while till a bad harvest or a political or industrial crisis comes on, and then credit will give way again.

So I am glad to see that Prof. Earl Dean Howard strikes the keynote when he says that the state banks and trust companies must be regulated as well as the national banks. There is small need to lock the front door of the stable and at the same time leave the back door open. And there is no need to make a bug-a-boo of the currency and at the same time leave the matter of reserves to take care of itself. In fact, we could get along without a currency (in the sense of paper money), and bank with only specie, but the question of adequate reserves would still be the same and will always be the same.

All this leads me to say that all banks should be classed and regulated on the same principles as in Japan. We should have at least three classes, namely; commercial banks, savings banks and financial (or industrial) banks. I cannot agree with those who would unite a savings and trust business with the commercial banks.

The fact is that better bank regulation and better banking is in the air. It is a question of the hour in Germany, and in England the question of reserves has been taken up as never before. The popular cry for the guarantee of bank deposits is a crude attempt of the people to voice their sentiment that banks should be made responsible for the obligations they incur. If bankers in place of wildly fighting guarantee of deposits would advocate a reasonable insurance, an adequate regulation and supervision of banking, and above all a proper increase and a just distribution of reserves, they would win the people and advance their own interests at the same time.

There is no need to talk of regulating the currency and then leave the banks to regulate themselves. If the banks can go on issuing credit, thus inflating values and then issue more credit on the basis of these inflated values, what may we not expect? If I can give a $100 note for a house worth $100 and then can go to the bank and make a loan on the house and the holder of my note can do the same giving my note as security, what kind of finance is that? Yet this is the principle upon which much of the banking and much of the general business is being conducted. Securities are issued, currency is issued, credit is issued, the one against the other. One kite is made to fly another kit. One bubble after another is blown till all is froth. Then soon will come a crash and with it an internal revolution or a foreign war and at length years of misery and suffering will overtake us unless we take warning in time—and now is the time.

Amsterdam, October 25, 1908.

Editor Bankers Magazine:

Sir: I would feel very much obliged to you for giving me an elucidation.

In your article on Money, Trade and investments you publish statement:

1. New York Clearing House banks.
2. State banks and trust companies outside of Clearing House.
3. State banks.
4. Trust companies.

Well the question is: In how far we have to do here with the same figures stated twice: Are not in the Clearing House banks comprised some of the state banks and some of the trust companies? If the statement could be given of the National banks only, would not then the aggregate figures of New York Clearing House banks and state banks and trust companies not in Clearing House and those of national banks, state banks and trust companies be identical?

Yours truly,

G. M. Boissevain.

Reply: The statement of the New York Clearing House (1) includes 31 national banks and 18 state banks.

The statement of "state banks and trust companies outside of Clearing House" (2) includes state banks and trust companies in Greater New York which are not in the Clearing House.

The statement of state banks (3) includes all state banks in Greater New York.

The statement of trust companies (4) includes all trust companies in Greater New York.

There are no trust companies members of the New York Clearing House.

There is no duplication of figures, but statements 3 and 4 combined include state banks and trust companies both in and out of the Clearing House. In fact there are no trust companies in the Clearing House. Were the statements of the national banks in New York, not in the Clearing House, also reported we would have complete figures for New York. In that case the statements 1 and 2 would be identical with 3 and 4 plus national bank statement.

WITH BANKERS MAGAZINE ADVERTISERS.

A SAFE BANKING BAG.

A GREAT many thousand dollars are daily entrusted to the care of bank messengers. Oftentimes accompanied by an armed and uniformed officer, the bank messenger is a familiar figure on the city streets. That the danger of robbery is an ever present one, cannot be doubted, as instances of the hold-up of bank messengers are often seen among the news items of the daily press.

On another page of the magazine this month, there is an illustrated advertisement of the Security Banking Bag, manufactured by the Security Bag Company of Boston, Mass. That this bag is all that it is claimed to be as a protection to bank funds in transit, is attested by the fact that some of the largest banks and business houses in the country are using the Security Banking Bag. Among the New York City institutions which use it are the following:

Equitable Trust Co., Guardian Trust Co., Phenix National Bank, Battery Park National Bank, Bankers Trust Co., National Bank of Commerce, National City Bank, New York Trust Co., Empire Trust Co., Citizens Central National Bank of Washington Heights, Fidelity Trust Co., Fidelity Bank, Yorkville Bank, Plaza Bank, Sherman National Bank, Nassau Trust Co., North Side Bank, Bowery Savings Bank, Columbia Trust Co., Chase National Title Guarantee & Trust Co.

Among the Boston institutions which use it are the following:

National Shawmut Bank, State National Bank, Liberty Trust Co., First National Bank, Eliot National Bank, Boston Clearing House, R. H. White & Co., Jordan, Marsh Co., City Trust Co., Second National Bank, Bay State Trust Co., James A. Houston & Co., Shepard & Norwell, A. Shuman, Butler & Co., Conrad & Co., Edison Light Co., A. Stowell & Co., Whitney & Co., South End National Bank, Thompson's Spa, Singer

Mfg. Co., American Trust Co., Brigham's Hotel, Gilchrist & Co., New England National Bank, The Hayward Hotel.

Briefly summarized, the strong points of the Security Banking Bag are these:

It is very strongly made. In some models there is a chain lining. In all the models, the handle is made of flexible metal and is covered with leather so that neither the bag nor the handle can be cut. The bag is padlocked, but a leather flap covers the lock so that a casual inspection of the bag does not indicate that it is different from the ordinary traveling satchel, so that it is not likely to excite the cupidity of crooks. The bag is securely fastened to the arm of

the messenger by a strong chain and wrist lock so that it is impossible for the man and the bag to become separated until the lock is opened by the person holding the key. The wrist lock is worn well up under the coat-sleeve and the chain connecting it with the handle of the bag is held on the inside of the hand so that it is difficult for this device to be seen by observers on the street or elsewhere.

A bank might go for years without feeling the necessity of such a special safeguard in the handling of its cash, but when the occasion did arise, the need would be very great, so that on the principle that it is better to be safe than sorry, there is no doubt at all but that it would be a wise thing if every bank in the country had one of these Security Banking Bags as part of its equipment. The company has a special plan whereby any prospective purchaser may have the privilege of examining the bag before buying. The address of the company is 56 Troy Street, Boston, Mass.

"A BETTER DAY'S WORK."

ONE of the most elaborate and costly distribution gratuitously is said to be volumes ever published for general the book on accounting and modern methods in business practice, just issued by the advertising and business systems departments of the Burroughs Adding Machine Co.

The book is entitled "A Better Day's Work," and dedicated to "The Man at the Desk, to whom the Burroughs has always meant a better day's work at a less cost of time, work and worry."

It contains 160 pages of "inside business information," representing the ripest experience of the largest and most successful business houses in this country. All lines of business are represented, and there is something of value for every man who has anything to do with figures or office detail.

A part of the contents consists of 50 specific business systems for different lines, each one embodying the best thought and practice of some representative house, and illustrated with life-like forms on the business stationery of one of the firms using the system, showing just how that system is employed to save time, work and worry in that particular establishment. Some of these forms are from banks—large and small—others are from mills, wholesale houses, tanneries, insurance offices, railroads and retail stores. Each system is thoroughly explained in all its details, making it easy to understand and to put into operation if desired.

"A Better Day's Work" is not essentially an advertisement. Rather, it is one of the steps in a broad educational campaign planned by E. St. Elmo Lewis, advertising manager for the Burroughs.

The book is now being advertised all over the country in magazines and newspapers, and requests already received from business men will more than exhaust the first edition, which numbered 10,000 copies. Another edition is now on the press, and a copy will be sent to every business man who writes on his business stationery.

A THRIVING INDUSTRY.

GUARANTEED deposits bid fair to excel protection in encouraging infant industries. In one Oklahoma town of five hundred inhabitants four banks have been established, and in another of four hundred and seventy, men, women and children, three have been started, and application to open a fourth has been made in due form. No wonder the Old Doctor pronounces the experiment a success. Obviously it affords employment for the people who ought to rule. As we figure it, if the present ratio of increase be maintained, the entire population of Oklahoma will be engaged in the banking business before Mr. Bryan can get another nomination for President in 1912.—*Harpers Weekly.*

THE PLETHORA OF MONEY.

THE present world-wide abundance of money is illustrated by the following figures of gold holdings of European banks:

This increase of sixteen per cent. is accentuated by the gain in surplus reserve of New York banks meanwhile from $2,648,075 to $12,289,150.

BOSTON CLEARING-HOUSE.

ADDRESSING the Clearing-House Section of the American Bankers' Association at Denver, Charles A. Ruggles, manager of the Boston Clearing-House Association, had the following to say regarding the Boston plan of dealing with out-of-town checks:

Most of the gentlemen have said they had not formed a plan unless they charged on everything. I presume most of the members present know of what is called the Boston system whereby the checks are collected through the clearing-house. Prior to nine years ago there were various contracts made between the Boston banks and banks throughout New England regarding the terms of remittance. A committee took that matter in charge and reported after several months' work that it was practical to handle checks of New England at a minimum cost. Country banks were advised and many of them agreed. The plan was put into operation in the spring of 1899, so it has now been in operation nine years last June. I will outline the system briefly for the benefit of those who are not acquainted with it. The checks are listed and sent to the clearing-house at 3.30 in the afternoon, and are sorted out by the force of the clearing-house into cities and then into the banks in those cities. Letters are then written and mailed direct to the banks on which the checks are drawn. We have in New England 631 correspondents. We send out an average of 625 letters a day. They are sent out this afternoon and received by a majority of the banks to-morrow morning. They in turn remit without charge 70 per cent. of the checks on the day of receipt, so that the second morning after we get full payment for all checks sent. The banks that do charge, charge one-tenth of one per cent. which in turn is charged by the Boston banks from those from whom they receive the checks. Should any item be protested and held over, the Boston bank is notified and that amount charged back. In the nine years we have collected approximately five thousand million dollars with a loss of less than one thousand dollars. The cost has been seven cents per $1,000 for collecting. That includes all clerk hire, a portion of the rent and all expenses of stationery—every known expense is put in and it has cost about seven cents a thousand dollars. One strong argument in favor of our system as considered by the Boston banks is this, that a year ago, during the panic, when collections were so hard to make, every bank in New England paid as usual. Every day we got payment in full. You gentlemen have probably not forgotten how hard it was to collect items outside.

ONE OF MANY.

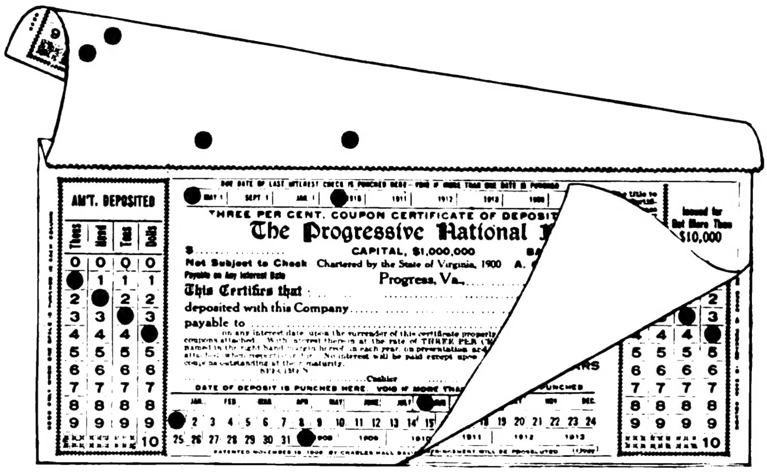
Alas, we often heard him say,
In a calm, close-lipped, determined way,
"I'll save my money—yes I will!"
But he went to his grave resolving still.
Birmingham Age-Herald.

	Now.	Year ago.	Increase.
Bank of England	$192,855,000	$193,845,000	*990,000
Bank of France	648,810,000	557,500,000	91,310,000
Bank of Germany	281,510,000	215,490,000	66,020,000
Total	$1,123,175,000	$966,835,000	$156,340,000

* Decrease.

The Adjustable Coupon Certificate of Deposit

A Modern Substitute for Certificates of Deposit and Savings Pass Books



Would it be worth anything to you:—

To be able to calculate interest, for any amount of money, for any length of time, at any rate of interest, mechanically?

To have a system of records so simple that the office boy could take care of the work, and so complete that you could determine at a glance the amount of certificates outstanding, and in ten minutes, on any day, the exact amount of interest accrued?

To have the solution of banking-by-mail?

To have a voucher for every interest payment?

To be able to make out your original entry, certificate of deposit and interest checks, for a number of years, at one stroke?

To have a high-grade circulating advertising medium passing current among the business men of your community?

To have a better form of investment than your competitors?

Would you be willing to pay a reasonable price for these results after they are obtained?

For Information, write

Adjustable Coupon Corporation

PETERSBURG, VIRGINIA

MONEY, TRADE AND INVESTMENTS

New York, November 2, 1908.

PANIC MONTH OF A YEAR AGO was frequently referred to in the discussion and comment on financial affairs during the past month. October, 1907, will long be remembered and the effects of that period of doubt and disaster are still apparent. The anniversary of the panic however materialized no new complication, and the month just closed has been rather uneventful.

The Presidential campaign waged fiercer as the election approached and the last day of the month was largely given up to politics. The mere fact that a number of representatives of the financial district should take part in a parade intended to help the candidacy of Mr. Taft had no little significance. It did not seem possible a few months ago, but recently a marked change in sentiment has been manifest, and resentment against the Administration appears to have been subordinated to the fear of Mr. Bryan's radicalism.

The stock market made a considerable advance during the month, but the influences which caused stocks to climb 3 to 10 per cent. or more have not been made apparent. So far as the rise is supposed to indicate Wall Street opinion as to the outcome of the election, it can mean only that Wall Street believes that Mr. Bryan is to go down the third time to defeat.

gold from abroad to relieve the money situation, while now both gold exports and imports are viewed with indifference.

That there has been only a partial recovery from last year's reverses is a fact not to be denied. It is to be remembered however that not until long after October did the wave of adversity reach its height and the gain from that extreme has been very substantial.

Illustrative of this is the record of the iron and steel trade. Pig iron production on November 1 last year was at the rate of 491,436 tons a week. This was a decline from 528,170 tons, the maximum record of July 1, 1907. By January 1, 1908, the output had fallen to 232,652 tons. Prior to November 1 the decrease was only 36,734 tons, but in the two months following the decrease was 258,784 tons more. On October 1 this year the output had increased to 337,925 tons per week which is still 173,472 tons less than on the same date last year, but it is a gain of 105,273 tons from the minimum point of January 1.

A statement issued by the United States Steel Corporation last month also shows the aftermath of depression following the October disturbance and the subsequent substantial, although partial, recovery. In the six months just preceding the panic the net earnings of this company were the largest ever recorded. In the quarter following, the last quarter of 1907, there was a decrease from the previous quarter of more than $11,000,000, followed by a further decrease of $14,000,000 in the first quarter of 1908. There was a gain of $2,000,000 in the record quarter and of nearly $7,000,000 in the third quarter. This is a far step on the road to renewed prosperity although there is yet much lost ground to be regained. This is indicated in the table showing the net earnings by quarters, in the last four years.

UNITED STATES STEEL NET EARNINGS.

	1905	1906	1907	1908
1st quarter	$23,025,896	$36,634,490	$39,122,492	$18,229,005
2d quarter	30,305,116	40,125,033	45,503,705	20,265,756
3d quarter	31,240,582	38,114,624	43,804,285	27,106,274
4th quarter	35,216,063	41,750,125	32,553,995	....

Comparison of present conditions with those existing a year ago furnishes much that is encouraging. Nearly all the banks which suspended then are now in operation. The clearing-house banks in New York now have a surplus reserve of over $33,000,000 as compared with a deficit of $38,000,000 at the close of October, 1907.

Call money which commanded as high as 125 per cent. in October last year ruled at 1@2 per cent. in the past month. A year ago the banks were arranging to draw

The record of unfilled orders is not so favorable as on September 30 the total was only 3,421,977 tons, the smallest in four years excepting only on June 30, 1908, and only about 108,000 tons larger than on that date.

exports exceeded $139,000.000 and imports $98,000,000.

The report of the Department of Agriculture on the condition of the crops on October 1 gives assurance of good yield this year. The yield of corn is indicated as 2,615,000,000 bushels as compared with 2,592,320,000 bushels in 1907 and 2,927,416,-041 bushels, a record crop, in 1906. The only years which surpassed 1908 were 1905 and 1906.

GRAIN PRODUCTION IN THE UNITED STATES.

	Corn Bushels.	Wheat Bushels.	Oats Bushels.	Barley Bushels.	Rye Bushels.
1904	2,467,480,934	552,399,517	894,595,552	139,748,958	27,241,515
1905	2,707,993,540	692,979,489	953,216,197	136,651,020	28,485,952
1906	2,927,416,091	735,260,970	964,904,522	178,916,484	33,374,833
1907	2,592,320,000	634,087,000	754,443,000	153,597,000	31,566,000
1908	2,615,000,000	659,030,000	789,161,000	167,242,000	30,921,000

As to the future of the steel trade the conservative view is that the improvement for a while will be slow. In fact a reduction in wages on January 1 in this industry is anticipated, a natural result of the fall in prices of iron and steel products which has occurred. The railroads are not expected to be an important factor in the steel market for some time yet, as they are being forced to an increased economy and it is not yet easy for railroad corporations to find new capital.

The railroads are increasing their traffic as indicated by a further decrease in the number of idle cars. Between September 16 and October 14 the number of surplus cars fell from 170,652 to 101,837 or nearly 60,000 cars. On April 29 last there were 413,338 unemployed cars, the present number being less than one-quarter of that figure. This increase in cars in use of course is to a large extent due to the seasonable increase in traffic resulting from the crop movement.

The record of dividend and interest disbursements for November this year shows how seriously income from investments has been affected. The estimated disbursements for dividends this coming month amount to about $29,100,000 as compared with $33,600,-000 a year ago, a decrease of more than $4,500,000. Of this decrease $2,800,000 is by industrial corporations, $1,300,000 by steam railroads and $400,000 by street railways. Interest payments amount to $47,-500,000, an increase of $2,500,000, this being largely due to the borrowing of corporations in the past year to tide them over.

Foreign trade movements in September showed a most encouraging change, the exports of merchandise reaching a new high record for that month exceeding the total in September, 1907, by $4,000,000 and in 1906 by nearly $1,000,000. Imports are also increasing although still below those of recent previous years. Compared with a year ago when the high record for September was made imports show a decrease of only about $8,000,000. For September,

The probable yield of wheat is 659,030,000 bushels or about 25,000,000 bushels more than in 1907. The record wheat crop was 748,460,218 bushels in 1901. The 1908 yield has been exceeded only in the years 1898, 1901, 1902, 1905, and 1906.

The crop of oats this year will be about 789,161,000 bushels which is larger than the 1907 crop but nearly 200,000,000 bushels less than the bumper crop of 1902. The 1908 yield has been exceeded in seven other years, four times in the previous six years.

Barley estimated at 167,242,000 bushels is within 12,000,000 bushels of the largest crop, which was raised in 1906. Rye will show about 30,921,000 bushels. The largest yield was 33,630,592 bushels recorded in 1902.

It is quite evident that the grain producer is to be favored with another year of prosperity. They have fairly abundant crops while prices are high. Wheat in New York is commanding $1.09 per bushel, about the same as a year ago, but compared with 80@90 cents in 1905 and 1906. Corn is 10 cents a bushel higher than a year ago and 30 cents higher than in 1905 and 1906.

One important event of the month was a decline in the price of silver in London to the lowest point recorded in five years. On October 30 the price touched 23 1-16d. per ounce. Except in 1902 and 1903 so low a price was never reached. In both those years 21 11-16d. was the minimum price. In 1896 when Mr. Bryan was a candidate for the Presidency on a "16 to 1" platform, the price of silver ranged from 29 3-4 to 31 15-16d. There has been little change in the production of silver in the world, the annual output being slightly below 170,000,-000 ounces. At the same time gold production has increased rapidly, about four fold since 1890.

Some very interesting and very useful

statistics concerning the cereal crops of the United States have been compiled and published by the Bureau of Statistics of the Department of Agriculture. One of the features of the compilation is the yearly production of each cereal since 1866. In that year the total wheat produced was 151,999,906 bushels. In 1907 it was 634,087,000 bushels. For corn the total yield in 1866 was 867,946,295 bushels and in 1907, 2,592,320,000 bushels. The production of oats has increased from 268,141,077 bushels to 754,443,000 bushels. Each of these crops was smaller in 1907 than in the previous year, so the comparison does not fully measure the increase in productive capacity since 1866.

Minnesota, which produced no wheat in 1866, now heads the list and in the past ten years its wheat crops had a value of $467,000,000. The nine states named produced nearly 65 per cent. of the total wheat raised in the United States in 1907, as compared with 55 per cent. in 1896 and 32 per cent. in 1866. The value of the wheat crops of those states in the last ten years was equal to 58 per cent. of the value of the total wheat crop in that period.

The corn producing territory has also broadened and some of the states now in the front rank were but insignificant factors forty years ago. Nine states now produce over two-thirds of all the corn raised in the United States. Their production in 1866, 1896 and 1907 and the total value of the last ten years' corn crop in those states are shown in the annexed table.

CORN STATES.

	1866 Bushels.	1896 Bushels.	1907 Bushels.	Value of 10 years' Crop 1898-1907.
Illinois	155,844,350	284,572,764	342,756,000	$1,096,260,641
Iowa	52,288,184	321,719,541	270,220,000	941,410,656
Missouri	46,819,543	176,768,649	241,025,000	691,163,528
Nebraska	2,095,030	298,599,638	179,328,000	651,132,577
Indiana	127,676,247	133,468,265	168,840,000	552,968,339
Texas	20,295,863	32,228,617	155,589,000	559,287,724
Kansas	6,527,358	247,734,004	155,142,000	572,349,867
Ohio	99,766,822	123,691,957	117,640,000	442,655,576
*Oklahoma	....	....	113,265,000	249,885,696
Total	511,313,397	1,618,783,435	1,743,805,000	$5,767,114,604
Total U. S. ..	867,946,295	2,283,875,165	2,592,320,000	9,531,581,147

* Includes Indian Territory.

WHEAT STATES.

	1866 Bushels.	1896 Bushels.	1907 Bushels.	Value of 10 years' Crop 1898-1907.
Minnesota	....	46,599,061	67,600,000	$467,131,147
Kansas	260,465	30,794,452	65,609,000	445,739,866
North Dakota..	....	29,848,501	55,130,000	358,588,154
Nebraska	257,839	19,390,602	45,911,000	236,038,215
Illinois	28,551,421	28,668,146	40,104,000	190,986,689
Washington ...	....	8,358,192	35,045,000	170,796,436
Indiana	9,114,562	20,647,440	34,013,000	215,978,933
South Dakota..	....	27,583,450	32,480,000	242,313,042
Ohio	10,208,854	21,800,016	30,677,000	236,304,831
Total	48,393,141	233,689,860	406,569,000	$2,563,877,313
Total U. S...	151,999,906	427,684,346	634,087,000	4,442,062,216

It is significant of the remarkable development of the country that of the nine states producing the largest quantity of wheat last year, four produced none in 1866 and two others only about a quarter of a million bushels each. The four states heading the wheat producing list last year and showing a yield of nearly 235,000,000 bushels, turned out only 518,000 bushels in 1866. A table printed here shows the production of the nine leading wheat growing states in 1866, 1896 and 1907 with the total farm value of the wheat raised in the ten years 1898 to 1907 inclusive.

Five of the great wheat states are also leaders as corn producers. Illinois and Iowa are the leading states with Missouri a good third. Nebraska, Kansas and Oklahoma which in 1866 cut no figure, in 1907 produced nearly 450,000,000 bushels. The nine states produced 60 per cent. of the total corn in 1866 and 70 per cent. in 1896 and 1897.

Another table shows the total value of wheat, corn and oats raised in the thirteen

VALUE OF CROPS 10 YEARS 1898-1907.

	Wheat.	Corn.	Oats.	Total.
Illinois	$190,986,689	$1,096,260,641	$346,030,782	$1,633,278,112
Iowa	95,009,780	941,410,656	320,917,774	1,357,338,210
Kansas	445,739,866	572,349,867	75,765,493	1,093,855,226
Nebraska	236,038,215	651,132,577	144,023,372	1,031,194,164
Missouri	191,154,237	691,163,528	54,069,096	936,386,861
Indiana	215,978,933	552,968,339	120,623,977	889,571,249
Ohio	236,304,831	442,655,576	125,109,608	804,070,015
Minnesota	467,131,147	139,218,124	185,038,435	791,387,706
Texas	91,540,096	559,287,724	95,055,799	745,883,619
South Dakota..	242,313,042	135,594,066	69,281,655	447,188,763
North Dakota..	358,588,154	7,965,505	75,314,816	441,868,475
Oklahoma	113,293,277	259,885,696	34,421,550	407,600,523
Washington ..	170,796,436	1,239,709	26,865,430	198,901,575
Total	$3,054,874,703	$6,051,132,008	$1,672,517,787	$10,778,524,498
Total U. S...	4,442,062,216	9,531,581,147	2,655,956,394	16,629,599,757

states mentioned in the ten years ended 1907:

Four of the states named raised each over a billion dollars of the three cereals and Kansas and Nebraska are two of the four. The Dakotas and Oklahoma each raised over $400,000,000 of wheat, corn and oats and Washington nearly $200,000,000. Such figures indicate that the great west has been enjoying wonderful prosperity and that the last ten years have given it a vast accumulation of wealth.

THE MONEY MARKET.—The local money market continues easy and the approach of November disbursements had no important effect upon rates. Loans on call are at very low rates. At the close of the month call money ruled between 1@2 per cent., with the average about 1½ per cent. Banks and trust companies loaned at 1 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2¾@3 per cent. for sixty days, 3 per cent. for ninety days, 3¼ per cent. for four months, and 3½@3¾ per cent. for five to six months on good mixed collateral. For commercial paper the rates are 4 per cent. for sixty to ninety days' endorsed bills receivable, 4@4½ per cent. for first-class four to six months' single names, and 4½@5½ per cent. for good paper having the same length of time to run.

NEW YORK BANKS.—The last week in the month showed a decrease in deposits of $14,500,000 based on actual figures and of only $6,700,000 as shown by the statement of averages. Similarly loans decreased $10,700,000 by the former method of reporting and only $5,000,000 by the latter. The actual reserves decreased about $2,-

MONEY RATES IN NEW YORK CITY.

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances....................	1½–¾	1¼–2	1 –1¼	1 –1¼	1¼–2	1 –2
Call loans, banks and trust companies.........	1½–	1 –	1 –	1 –	1¼–	1 –
Brokers' loans on collateral, 30 to 60 days	2½–	1½–2	2 –	1¾–2	2¼–½	2¾–3
Brokers' loans on collateral, 90 days to 4 months....................................	2¾–3¼	2 –2¾	2½–3½	2 –3½	2½–3¼	3 –¼
Brokers' loans on collateral, 5 to 7 months...	3½–4½	3¼–4	3½–4	3½–¾	3½–	3½–¾
Commercial paper, endorsed bills receivable, 60 to 90 days..................................	3¼–4	3½–	3 –3½	3 –3½	4 –	4 –
Commercial paper, prime single names, 4 to 6 months....................................	4 –½	4½–	4 –4¼	4 –4½	4 –4½	4 –4½
Commercial paper, good single names, 4 to 6 months....................................		4½–5	4½–5	4½–5	4½–5	4½–5½

NEW YORK CLEARING HOUSE BANKS—AVERAGE CONDITION AT CLOSE OF EACH WEEK.

DATES.	*Loans.*	*Specie.*	*Legal tenders.*	*Net Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Oct. 3...	$1,312,130,700	$311,896,300	$79,585,700	$1,396,771,400	$42,289,650	$53,756,500	$1,554,702,400
" 10...	1,324,358,000	306,469,500	78,926,000	1,402,753,100	34,707,225	53,514,300	1,603,285,100
" 17...	1,338,433,300	304,992,500	80,640,600	1,416,647,900	31,471,125	53,309,400	1,631,634,900
" 24...	1,338,426,900	306,290,200	81,122,900	1,418,132,400	32,880,000	53,195,900	1,599,252,100
" 31...	1,333,365,600	305,162,400	81,280,800	1,411,416,300	33,589,125	52,983,500	1,557,851,200

000,000 during the month, loans increasing $17,000,000 and deposits $13,000,000. Loans reached their highest record on October 17, the average being $1,338,433,300 and the actual $1,342,975,300. The surplus reserve by the old method of reporting was reduced during the month from $42,289,000 to $33,589,000. A year ago there was a deficit of $38,000,000. Deposits are $360,000,000 more than they were at this time last year. The surplus reserve fell to the lowest point for the year on October 17, and is now only about one-half of what it was last August.

Foreign Banks.—The Bank of England lost $8,000,000 gold last month while the Bank of France gained $11,000,000, the Bank of Germany $17,000,000 and the Bank of Russia $7,000,000. Compared with a year ago England has gained $23,000,000, France $102,000,000, and Germany $53,000,000, while Russia has lost $20,000,000.

Foreign Exchange.—Sterling exchange after advancing during the first half of the month became weak and declined below the figures ruling a month ago. In the last week of the month the market was very dull and rates tended downward.

Deposits and Surplus Reserve on or About the First of Each Month.

Month.	1906.		1907.		1908.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$977,651,300	$4,292,575	$981,301,100	$5,369,225	$1,050,925,400	*$20,170,850
February	1,061,403,100	11,127,625	1,076,720,000	12,634,100	1,138,501,500	40,526,752
March	1,029,545,000	5,008,755	1,088,431,800	3,857,650	1,167,623,700	29,262,675
April	1,004,290,500	5,131,270	1,019,817,300	13,181,275	1,189,334,300	39,788,525
May	1,028,683,200	10,367,400	1,106,183,300	12,346,775	1,257,759,200	62,352,900
June	1,036,751,100	6,816,025	1,128,194,600	12,782,450	1,285,788,800	47,910,000
July	1,049,617,000	12,055,750	1,092,081,700	2,509,275	1,320,176,400	66,098,800
August	1,060,116,900	18,892,475	1,099,302,400	7,473,200	1,365,401,300	59,083,575
September	1,042,057,200	2,869,400	1,046,655,800	8,756,450	1,394,617,800	65,608,975
October	1,034,059,000	12,540,350	1,055,193,700	5,646,575	1,396,771,400	42,289,650
November	1,015,824,100	3,049,775	1,051,786,900	*38,838,825	1,411,416,300	33,589,125
December	998,634,700	1,449,125	1,083,283,300	*52,989,425	....	....

Deposits reached the highest amount, $1,420,061,900, on September 12, 1908; loans, $1,338,433,300 on September 12, 1908, and the surplus reserve $111,623,000 on Feb. 3, 1894. * Deficit.

New York Clearing House Banks—Actual Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Reserve Held.*
Oct. 3	$1,311,329,000	$307,493,300	$79,226,100	$1,391,820,400	$386,719,400
" 10	1,338,084,500	303,732,100	80,036,700	1,408,767,800	383,768,800
" 17	1,342,975,300	306,705,200	80,675,000	1,423,151,600	387,380,200
" 24	1,339,168,500	305,877,300	82,179,400	1,419,259,000	388,056,700
" 31	1,328,436,000	304,604,300	80,071,200	1,404,706,100	384,675,500

State Banks and Trust Companies Outside of Clearing House—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Net Deposits.*	*Gross Deposits.*	*Reserve on Deposits*
Oct. 3	$958,208,400	$84,679,300	$14,590,700	$869,693,600	$1,060,591,300	$327,820,200
" 10	961,637,200	85,390,200	15,021,500	876,052,500	1,063,691,000	328,328,300
" 17	968,473,100	85,555,100	15,352,900	882,424,100	1,068,099,000	325,370,100
" 24	973,547,100	86,442,200	15,052,000	889,655,700	1,081,917,800	332,265,000
" 31	976,105,400	87,937,800	14,951,600	892,406,100	1,083,505,400	332,096,400

State Banks—Average Condition.

Dates.	*Loans.*	*Specie.*	*Legal Tenders.*	*Gross Deposits.*	*Reserve on Deposits.*
Oct. 3	$279,917,800	$55,636,400	$25,863,800	$334,183,100	$103,143,900
" 10	280,665,700	60,120,000	25,736,000	340,771,400	108,492,300
" 17	282,365,800	60,447,400	26,526,800	344,026,200	110,106,000
" 24	283,043,600	60,899,900	26,600,300	344,806,900	110,429,900
" 31	282,869,200	60,066,400	26,236,500	342,915,700	108,873,900

Trust Companies—Average Condition.

Dates.	Loans.	Specie.	Legal Tenders.	Gross Deposits.	Reserve on Deposits.
Oct. 3	$869,343,700	$78,788,600	$6,927,300	$954,584,200	$296,674,400
" 10	872,493,400	79,584,300	7,150,700	955,651,700	296,020,300
" 17	878,977,600	79,640,200	7,285,200	959,178,800	292,374,100
" 24	883,545,700	80,474,700	7,211,600	972,899,200	299,522,800
" 31	886,080,200	81,823,500	7,406,500	974,942,200	299,869,000

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Oct. 3	$88,388,600	$109,304,900	$6,354,500	$9,227,500	$17,259,600	$5,414,700	$10,960,075
" 10	89,507,700	110,561,200	6,221,100	8,855,700	16,649,600	5,824,300	9,410,400
" 17	89,289,200	110,455,300	6,301,700	8,251,700	15,712,500	6,232,100	8,884,175
" 24	89,524,300	109,906,000	6,322,900	8,242,200	15,245,000	6,296,800	8,632,400
" 31	89,850,100	109,027,600	6,486,300	8,002,900	14,557,400	6,169,300	7,959,000

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Oct. 3	$211,568,000	$259,089,000	$24,789,000	$3,968,000	$10,191,000	$151,657,700
" 10	212,791,000	261,744,000	24,984,000	4,080,400	10,842,000	139,937,800
" 17	212,645,000	265,229,000	25,652,000	3,779,000	10,296,000	151,618,100
" 24	211,900,000	262,691,000	25,878,000	3,807,000	10,311,000	142,992,100
" 31	210,262,000	262,714,000	25,428,000	3,908,000	10,288,000	....

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Oct. 3	$243,742,000	$298,977,000	$79,434,000	$14,086,000	$121,716,300
" 10	243,523,000	295,588,000	78,722,000	14,018,000	102,614,200
" 17	244,097,000	303,475,000	82,615,000	13,971,000	117,190,600
" 24	245,529,000	302,667,000	81,147,000	13,924,000	112,574,400
" 31	245,844,000	302,848,000	81,618,000	13,981,000	....

Gold and Silver in the European Banks.

	Sept. 1, 1908.		Oct. 1, 1908.		Nov. 1, 1908.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£38,731,862	....	£38,017,545	....	£36,376,341	....
France	129,042,885	£35,565,178	129,456,957	35,806,332	121,818,855	£35,602,841
Germany	41,428,000	17,169,000	35,809,000	14,859,000	39,208,000	16,249,000
Russia	116,256,000	8,036,000	120,052,000	7,257,000	121,445,000	6,803,000
Austria-Hungary	47,208,000	13,385,000	48,545,000	13,037,000	48,710,000	12,557,000
Spain	15,694,000	30,764,000	15,724,000	33,609,000	15,755,000	32,942,000
Italy	36,793,000	4,420,000	37,037,000	4,500,000	36,928,000	4,425,000
Netherlands	7,705,700	4,164,200	7,769,600	4,095,200	7,772,300	3,986,000
Nat. Belgium	4,054,667	2,027,333	4,016,000	2,008,000	4,068,000	2,044,000
Sweden	4,065,000	....	4,132,000	....	4,180,000	....
Switzerland	4,632,000	....	4,604,000	....	4,676,000	....
Norway	1,651,000	....	1,629,000	....	1,730,000	....
Totals	£447,262,114	£115,560,711	£446,992,102	£115,371,532	£452,672,496	£114,408,841

Money Rates Abroad.—There was no change in the posted rate of discount of the Bank of England last month, which has stood at 2½ per cent. since May 28 the last. A year ago the rate was advanced from 4½ to 5½ per cent. Open market rates in London and Paris have advanced. Discounts of sixty to ninety-day bills in

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Oct. 3	4.8490 @ 4.8510	4.8615 @ 4.8620	4.8640 @ 4.8650	4.84⅛ @ 4.84⅝	4.83¾ @ 4.84¼
" 10	4.8510 @ 4.8535	4.8675 @ 4.8685	4.8700 @ 4.8710	4.84⅞ @ 4.85	4.84¼ @ 4.85
" 17	4.8500 @ 4.8505	4.8645 @ 4.8650	4.8670 @ 4.8680	4.84⅛ @ 4.84⅝	4.83¾ @ 4.84¾
" 24	4.8475 @ 4.8500	4.8655 @ 4.8665	4.8675 @ 4.8685	4.84¼ @ 4.84⅝	4.83¾ @ 4.84¾
" 31	4.8425 @ 4.8450	4.8620 @ 4.8630	4.8645 @ 4.8655	4.83⅛ @ 4.83¾	4.83¼ @ 4.84¼

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	July 1.	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.
Sterling Bankers—60 days	4.85½— ⅝	4.85¼— ⅜	4.84¼— ⅛	4.85 — ⅛	4.84¼— ⅜
" " Sight	4.86⅞— 87	4.86⅞— 87	4.85¾— ⅞	4.86¼— ⅜	4.86¼— ⅜
" " Cables	4.87⅛— ¼	4.87 — ⅛	4.86 —	4.86½— ⅝	4.86⅜— ½
" Commercial long	4.85¼— ⅜	4.85 — ⅛	4.83¼— ¾	4.83⅞— 4¾	4.83½— ¾
" Docu'tary for paym't	4.84⅝— 5⅛	4.84½— 85	4.83 — 84	4.84¼— ⅝	4.83¼— 4¼
Paris—Cable transfers	5.15⅝— 3/32	5.15⅝—	5.13⅞—	5.15⅝— —	5.13⅝—
" Bankers' 60 days	5.16⅞—	5.17½— 16⅞	5.18¾— ⅛	5.18⅛— —	5.18⅛— 17½
" Bankers' sight	5.15⅝—	5.16¼— 15⅝	5.17½— 16⅞	5.16¼— —	5.16¼—
Swiss—Bankers' sight	5.15⅝— 1/16	5.15 3/32— 1/16	5.16 — ⅞	5.16⅞— ¼	5.16¼—
Berlin—Bankers' 60 days	95 — 1/16	95⅛— 3/16	94¾— ⅞	94 13/16— 15/16	94¾— 13/16
" Bankers' sight	95½—	95 7/16— ½	95 3/16— ¼	95 5/16— ⅜	95⅛—
Amsterdam—Bankers' sight	40½— 3/16	40 5/16—	40¼—	40 5/16— —	40 5/16—
Kronors—Bankers' sight	26⅞—27	26⅞—27	26 13/16— ⅞	26 13/16— 15/16	26⅞— 15/16
Italian lire—sight	5.14⅝— 13¾	5.15⅝ -15	5.16¼—	5.16⅞— ¼	5.16⅞— ¼

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	July 31, 1908.	Aug. 31, 1908.	Sept. 30, 1908.	Oct. 31, 1908.
Circulation	£29,533,000	£29,252,000	£29,549,700	£28,558,400
Public deposits	5,845,000	7,876,000	8,091,600	7,650,100
Other deposits	46,064,000	44,233,000	42,516,300	41,296,200
Government securities	15,047,000	15,532,000	15,732,300	14,730,500
Other securities	28,843,000	28,508,000	26,237,100	25,655,300
Reserve of notes and coin	26,038,000	27,929,000	26,917,300	26,267,100
Coin and bullion	37,120,389	38,731,862	38,027,545	36,396,341
Reserve to liabilities	50.12%	53.60%	53.15%	53.62%
Bank rate of discount	2½%	2½%	2½%	2½%
Price of Consols (2½ per cents.)	86 13/16	86⅛	85¾	84⅝
Price of silver per ounce	24 5/16d.	23⅝d.	23⅞d.	23¼d.

MONTHLY RANGE OF SILVER IN LONDON—1906, 1907, 1908.

MONTH.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low.	MONTH.	1906. High	1906. Low.	1907. High	1907. Low.	1908. High	1908. Low
January	30¼	29 11/16	32 7/16	31¼	26¾	25⅛	July	30 7/16	29 13/16	31 15/16	31	24⅞	24 3/16
February	30 13/16	30⅛	32⅛	31½	26 9/16	25¼	August	30 13/16	29⅞	32 3/16	31⅛	24 9/16	23⅝
March	30 7/16	29	32 1/16	30⅝	25 13/16	25 7/16	September	31¾	30 13/16	31 9/16	31⅛	24⅛	23 9/16
April	30 9/16	29⅝	30½	30	25½	24 5/16	October	32 5/16	31 11/16	30⅞	27 7/16	24	23
May	31⅜	30 9/16	31⅛	29 15/16	24 13/16	24	November	33⅛	32	27 11/16	26 9/16		
June	31 1/16	29⅝	31 1/16	30⅝	25⅜	24¼	December	32 3/16	31 5/16	26 11/16	24 3/16		

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.50	$15.65
Bank of England notes	4.86	4.90	Mexican 20 pesos	19.50	19.65
Twenty francs	3.90	3.96	Ten guilders	3.95	4.00
Twenty marks	4.75	4.80	Mexican dollars	.45	.51
Twenty-five pesetas	4.78	4.82	Peruvian soles	.37	.41
Spanish doubloons	15.50	15.65	Chilian pesos	.37	.41

Bar silver in London on the first of this month was quoted at 23¼d. per ounce. New York market for commercial silver bars, 50⅜ @ 51⅞c. Fine silver (Government assay), 50⅛ @ 52c. The official price was 51¾c.

London at the close of the month were 2½@2⅜ per cent. against 1½@1⅝ per cent a month ago. The open market rate at Paris was 2⅛@2¼ per cent. against 2 per cent. a month ago, and at Berlin and Frankfort 2¾@2⅞ per cent., against 3 per cent. a month ago.

SILVER.—The silver market in London was weak during the month and sharply declined late in the month. On October 30 the price dropped to 23 1-16d., the lowest recorded in five years. The final price of the month was 23¼d., a net decline since September 30 of ⅝d.

FOREIGN TRADE.—Both branches of foreign trade showed a substantial improvement in September. Imports were the largest since last November and were only about $8,000,000 less than in the same month last year. Exports were the largest since March and were larger than were ever before recorded in the corresponding month. The imports were $98,000,000 and exports $139,000,000, making a net balance of exports of over $41,000,000. There was a net import of gold of $721,000 and a net export of silver of $894,000, the movements in both metals being very small. For the nine months of the year, ending September 30, imports decreased $310,000,000 and exports $101,-

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF SEPTEMBER.	MERCHANDISE.				Gold Balance.		Silver Balance.	
	Exports.	Imports.	Balance.					
1903	$110,364,840	$81,816,642	Exp.,	$28,548,198	Imp.,	$4,186,782	Exp.,	$680,776
1904	134,265,424	84,124,975	"	50,140,449	"	1,496,587	"	1,375,739
1905	135,983,816	101,987,330	"	33,996,486	"	4,130,788	"	1,687,454
1906	138,496,954	102,618,323	"	35,878,631	"	29,152,116	"	331,752
1907	135,318,342	106,365,180	"	28,953,162	"	1,255,183	"	2,225,691
1908	139,397,295	98,101,738	"	41,295,557	"	721,503	"	894,924
NINE MONTHS.								
1903	$989,276,471	758,798,236	Exp.,	230,478,235	Exp.,	9,896,179	Exp.,	8,282,166
1904	985,468,881	751,394,339	"	234,074,542	"	14,345,238	"	19,452,689
1905	1,102,551,375	872,272,528	"	230,278,847	"	12,338,319	"	14,936,212
1906	1,237,834,424	948,267,117	"	289,567,307	Imp.,	75,966,055	"	12,447,270
1907	1,331,588,696	1,108,072,299	"	223,516,397	Exp.,	19,017,593	"	13,482,569
1908	1,230,837,439	798,168,922	"	432,668,517	"	30,580,564	"	8,055,905

NATIONAL BANK CIRCULATION.

	July 31, 1908.	Aug. 31, 1908.	Sept. 30, 1908.	Oct. 31, 1908.
Total amount outstanding	$692,088,991	$685,326,108	$675,612,327	$665,844,192
Circulation based on U. S. bonds	625,360,982	625,986,993	626,972,885	626,778,555
Circulation secured by lawful money	66,728,009	59,339,115	48,639,442	39,065,637
U. S. bonds to secure circulation:				
Four per cents. of 1925	14,846,450	14,677,450	14,945,450	14,980,450
Three per cents. of 1908–1918	9,521,940	10,086,600	10,057,260	10,468,520
Two per cents. of 1930	553,813,150	554,956,200	555,508,060	554,700,700
Panama Canal 2 per cents	37,564,380	37,701,740	38,424,680	38,558,680
Certificates of Indebtedness 3 per cent	14,186,500	14,186,500	13,936,500	15,936,500
Total	$629,432,420	$631,607,490	$632,871,890	$632,624,850

The National Banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1925, $7,285,250; 3 per cents. of 1908-1918, $9,401,900; 2 per cents. of 1930, $47,066,950; Panama Canal 2 per cents. $14,811,000; District of Columbia 3.65's, 1924, $2,441,000; Hawaiian Islands bonds, $1,833,000; Philippine loan, $8,461,000; state, city and railroad bonds, $46,787,710; Porto Rico, $736,000; certificates of indebtedness 3 per cent., $———; a total of $138,803,810.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	September, 1908.	Since July 1, 1908.
Customs	$23,445,005	$91,530,934
Internal revenue	22,589,858	84,378,333
Miscellaneous	3,282,861	19,192,399
Total	$49,317,724	$195,101,666
Excess of receipts	*$10,721,038	*$44,083,575

*Excess of expenditures.

EXPENDITURES.

Source.	September, 1908.	Since July 1, 1908.
Civil and mis.	$18,365,079	$60,224,834
War	9,156,614	45,961,533
Navy	9,184,982	37,090,873
Indians	973,711	5,988,314
Pensions	11,671,178	53,832,243
Public works	7,419,198	28,229,596
Interest	3,268,060	8,410,848
Total	$60,038,762	$239,185,241

United States Public Debt.

	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.	Nov. 1, 1908.
Interest-bearing debt:				
Consols of 1930, 2 per cent	$646,250,150	$646,250,150	$646,250,150	$646,250,150
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Loan of 1908-1918, 3 per cent	63,945,460	63,945,460	63,945,460	63,945,460
Panama Canal Loan of 1916, 2 per cent	54,631,980	54,631,980	54,631,980	54,631,980
Certificates of Indebtedness 1908	14,186,500	14,186,500	13,936,500	13,936,500
Total interest-bearing debt	$897,503,990	$897,503,990	$897,253,990	$897,253,990
Debt on which interest has ceased	3,943,745	3,867,625	3,823,195	3,738,235
Debt bearing no interest:				
Legal tender and old demand notes	346,734,298	346,734,298	346,734,298	346,734,298
National bank note redemption acct	57,393,588	48,808,438	42,642,365	39,069,430
Fractional currency	6,862,374	6,862,374	6,862,374	6,861,924
Total non-interest bearing debt	$410,990,260	$402,405,110	$396,239,037	$392,665,652
Total interest and non-interest debt	1,312,437,996	1,303,776,726	1,297,316,223	1,293,657,878
Certificates and notes offset by cash in the Treasury:				
Gold certificates	818,758,869	837,564,869	842,045,869	850,817,869
Silver certificates	484,054,000	487,768,000	488,208,000	488,793,000
Treasury notes of 1890	4,903,000	4,847,000	4,767,000	4,705,000
Total certificates and notes	1,307,715,869	$1,330,179,869	$1,335,020,869	$1,344,315,869
Aggregate debt	2,620,153,865	2,633,956,595	2,632,337,092	2,637,973,747
Cash in the Treasury:				
Total cash assets	$1,791,038,029	1,786,442,021	1,779,635,023	1,770,503,682
Demand liabilities	1,437,409,856	1,446,551,853	1,450,582,450	1,453,621,429
Balance	$353,628,173	$339,890,138	$329,052,573	$316,822,253
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	203,628,173	189,890,138	179,052,573	166,882,253
Total	$353,628,173	$339,890,138	$329,052,573	$316,882,253
Total debt, less cash in the Treasury	958,809,823	963,886,588	968,263,650	976,775,625

Money in Circulation in the United States.

	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.	Nov. 1, 1908.
Gold coin	$615,788,276	$619,990,263	$615,955,118	$610,060,562
Silver dollars	75,185 184	74,891,095	75,084,147	74,740,245
Subsidiary silver	122,782,736	124,005,574	124,024,077	131,663,701
Gold certificates	784,278,609	806,653,109	805,667,764	807,246,869
Silver certificates	474,690,962	475,083,723	475,843,942	483,899,642
Treasury notes, Act July 14, 1890	4,889,789	4,837,418	4,750,809	4,691,225
United States notes	341,085,382	341,311,926	341,190,465	342,994,056
National bank notes	627,316,659	630,633,800	635,783,039	643,202,001
Total	$3,045,962,547	$3,077,406,908	$3,078,299,361	$3,098,498,021
Population of United States	87,614,000	87,733,000	87,852,000	87,971,000
Circulation per capita	$34.77	$35.07	$35.04	$35.22

000,000. The export balance for that period is $432,000,000 as compared with $223,000,-000 in 1907.

National Bank Circulation.—Another decrease of nearly $10,000,000 was recorded in national bank circulation last month, practically all of it by the cancellation of bank notes, for the retirement of which lawful money was deposited months ago. Only $39,000,000 of deposits to retire bank notes are now held by the U. S. Treasurer as against $75,000,000 on June 30 last. There was a decrease last month of about $250,000 in bonds deposited to secure circulation.

Government Revenues and Disbursements.—The receipts of the Government in October were $49,000,000 against $59,-000,000 in 1907, a decrease of $10,000,000. Expenditures were $60,000,000 against $58,-500,000 in 1907, an increase of $1,500,00. A deficit is shown for the month of $10,-700,000 as against a surplus of $500,000 in 1907. Since July 1 the revenues have fallen below the expenditures $44,000,000.

United States Public Debt.—Of the items constituting the public debt statement gold certificates outstanding show the most important change, an increase of $8,-700,000. The total debt less cash in the Treasury increased $8,500,000, while the cash balance was reduced $12,000,000. The former is now nearly $977,000,000 and the latter less than $167,000,000. More than $131,000,000 of the Treasury balance is represented by deposits in national bank depositaries.

Money in Circulation in the United States.—There was $20,000,000 added to the volume of circulation in October, of

Money in the United States Treasury.

	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.	Nov. 1, 1908.
Gold coin and bullion	$1,014,511,613	$1,021,568,685	$1,027,726,268	$1,039,298,182
Silver dollars	493,075,848	493,369,887	493,176,835	493,519,567
Subsidiary silver	24,222,849	23,774,263	21 746,013	19,272,269
United States notes	5,645,634	5,369,090	5,490,551	3,686,960
National bank notes	61,772,332	54,092,308	39,829,288	22,642,191
Total	$1,602,228,076	$1,598,774,233	$1,587,968,955	$1,578,419,169
Certificates and Treasury notes, 1890, outstanding	1,263,854,360	1,286,574,250	1,286,262,515	1,295,837,456
Net cash in Treasury	$338,373,716	$312,199,983	$301,706,440	$282,581,713

Supply of Money in the United States.

	July 1, 1908.	Aug. 1, 1908.	Sept. 1, 1908.	Oct. 1, 1908.	Nov. 1, 1908.
Gold coin and bullion	$1,616,220,178	$1,630,299,889	$1,641,558,948	$1,643,681,886	$1,649,358,744
Silver dollars	568,249,982	568,260,982	568,260,982	568,260,982	568,259,812
Subsidiary silver	146,640,298	147,005,385	147,779,837	145,770,090	150,935,470
United States notes	346,681,016	346,681,016	346,081,016	346,681,016	346,681,016
National bank notes	698,333,917	692,088,991	685,826,108	675,612,327	665,844,192
Total	$3,376,125,891	$3,334,336,263	$3,389,606,891	$3,380,005,401	

which $7,600,000 was in the form of fractional silver coin and $7,500,000 in national bank notes. There was an increase of $8,000,000 in silver certificates and of $1,600,000 in gold certificates.

Money in the United States Treasury.—The total money in the Treasury was reduced $9,500,000 in the month while outstanding certificates were increased $9,500,000, making a decrease in the net balance of $19,000,000. The Treasury gained about $10,000,000 in its net gold balance.

Supply of Money in the United States.—The total stock of money in the country increased $1,000,000. Gold increased $5,600,000 and subsidiary silver $5,200,000 while national bank notes decreased $9,800,000. There would have been a decrease in the total had not the Government coined a large amount of small silver coin.

BANK AND TRUST COMPANY STOCKS.

Corrected to November 10, 1908.

NEW YORK BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 120 Broadway, New York.

	Div. Rate.	Bid.	Asked.
Aetna National Bank	8	...	175
Amer. Exchange Nat. Bk.	10	235	...
Bank of America	26	535	...
Bank of the Manhattan Co. (par $50)	12	295	310
Bank of the Metropolis ..	16	375	390
Bank of N. Y., N. B. A. ..	14	300	310
Bank of Washington Heights	..	265	...
Battery Park Nat. Bank	..	115	125
Bowery Bank	12	325	...
Bronx Borough Bank	..	300	...
Century Bank	6	170	...
Chase National Bank	6	255	...
Chatham National Bank (par $25)	16	300	310
Chelsea Exchange Bank..	..	200	...
Chemical National Bank.	15	410	420
Citizens' Central Nat. Bk.	6	145	155
Coal & Iron Nat. Bank..	10	215	225
Colonial Bank	20	850	...
Columbia Bank	12	400	500
Consolidated Nat. Bank...	6	115	125
Corn Exchange Bank....	16	315	325
East River National Bank (par $25)	6	130	140
Fidelity Bank	..	160	175
Fifth Avenue Bank	100	3900	...
Fifth National Bank	12	310	...
First National Bank	32	700	...
Fourteenth Street Bank..	10	...	190
Fourth National Bank....	8	200	205
Gallatin National Bank (par $50)	12	320	335
Garfield National Bank...	20	285	...
German-American Bank (par $75)	6	135	145
German Exchange Bank..	20	480	...
Germania Bank	20	475	525
Greenwich Bank	10	250	...
Hanover National Bank..	16	480	490
Importers & Traders Nat. Bank	20	540	...
International Bank'g Corp.	4	90	100
Irving Nat. Exchange Bk.	8	175	...
Jefferson Bank	10	170	180
Liberty National Bank...	20	500	...
Lincoln National Bank...	8	475	...
Market & Fulton Nat. Bk.	10	245	...
Mechanics National Bank	12	250	265
Mercantile National Bank	..	125	130
Merchants Exchange National Bank (par $50).	6	160	170
Merchants National Bank (par $50)	7	155	165
Metropolitan Bank	6	165	175
Mount Morris Bank	8	200	240
Mutual Bank	8	280	310
Nassau Bank (par $50)..	8	200	215
Nat. Bank of Commerce.	8	170	180
Nat. Butchers & Drovers Bank (par $25)	6	150	...
National City Bank	10	305	320
National Copper Bank....	..	215	225
National Park Bank	16	440	450
New Netherlands Bank...	..	200	210
N. Y. County Nat. Bank.	40	700	...
N. Y. Produce Exchange Bank	8	150	...
Night & Day Bank.......	..	...	250
Nineteenth Ward Bank...	12	...	465
Northern Bank	6	...	160
Pacific Bank (par $50)..	8	220	250
People's Bank (par $25)..	10	290	320
Phenix National Bank (par $20)	6	155	165
Plaza Bank	20	600	...
Riverside Bank	8	200	...
Seaboard National Bank..	10	340	...
Second National Bank....	12	350	...
Sherman National Bank...	..	140	...
State Bank	10	240	...
Twelfth Ward Bank	6	...	200
Twenty-third Ward Bank	6	110	...
Union Exchange Bank....	10	180	190
United States Exchange..	..	...	...
West Side Bank	12	500	...
Yorkville Bank	16	400	...

NEW YORK TRUST COMPANY STOCKS.

	Div. Rate.	Bid.	Asked.
Astor Trust Co.	..	300	...
Bankers Trust Co.	16	440	...
Bowling Green Trust Co.	20	320	...
Broadway Trust Co.	6	125	135
Brooklyn Trust Co.	20	390	400
Carnegie Trust Co.	..	155	170
Citizens' Trust Co.	..	115	130
Central Trust Co.	80	1725	...
Columbia Trust Co.	..	215	225
Commercial Trust Co. ...	..	140	150
Empire Trust Co.	8	345	...
Equitable Trust Co.	12	380	...
Farmers Loan & Trust Co. (par $25)	40	1135	...
Fidelity Trust Co.	..	190	...
Fifth Avenue Trust Co...	12	...	440
Flatbush Trust Co.	8	220	250
Franklin Trust Co.	8	190	200
Fulton Trust Co.	10	240	...
Guaranty Trust Co.	20	470	...
Guardian Trust Co.	..	175	...
Hamilton Trust Co.	10	250	275
Home Trust Co.	4	90	...
Hudson Trust Co.	..	120	140
Kings Co. Trust Co.	12	435	...
Knickerbocker Trust Co...	..	285	300
Lawyers' Mortgage Co. ...	10	200	205
Lincoln Trust Co.	..	...	185
Lawyers' Title Ins. & Trust Co.	12	200	...
Long Is. Loan & Trust..	12	250	280
Manhattan Trust Co. (par $30)	12	350	390
Mercantile Trust Co......	20	750	...
Metropolitan Trust Co....	24	510	530
Morton Trust Co.	20	410	...
Mutual Alliance Trust Co.	8	...	160
Nassau Trust Co.	8	150	170
N. Y. Life Ins. & Trust Co.	50	1000	...
N. Y. Mtg. & Security Co.	10	135	145
N. Y. Trust Co.	32	525	...
People's Trust Co.	12	260	300
Standard Trust Co.	10	325	...
Title Guar. & Trust Co.	16	395	405
Trust Co. of America.....	..	300	320
Union Trust Co.	50	1000	1100
U. S. Mtg. & Trust Co...	20	335	...
U. S. Trust Co.	50	1100	...
Van Norden Trust Co. ...	10	...	260
Washington Trust Co.....	12	400	...
Windsor Trust Co.	6	125	135

BOSTON BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 60 Congress St., Boston.

Name.	Div. Rate.	Last Sale.
Atlantic National Bank	6	140
Boylston National Bank	4	100
Commercial National Bank	6	140
Eliot National Bank	8	195
Faneuil Hall National Bank	7	138
First National Bank	12	312½
First Ward National Bank	8	181½
Fourth National Bank	7	165¾
Merchants' National Bank	10	217¼
Metropolitan National Bank	6	122
National Bank of Commerce	6	160
National Market Bank, Brighton	6	102
Nat. Rockland Bank, Roxbury	8	167
National Shawmut Bank	10	288
National Union Bank	7	165½
National Security Bank	12	*
New England National Bank	6	142
Old Boston National Bank	5	114
People's National Bank, Roxbury	6	130
Second National Bank	10	215¼
South End National Bank	5	100
State National Bank	7	154¼
Webster & Atlas National Bank	6	147⅝
Winthrop National Bank	12	325

* No public sales.

BOSTON TRUST COMPANIES.

Name.	Div. Rate.	Last Sale.
American Trust Co.	8	345
Bay State Trust Co.	7	*
Beacon Trust Co.	8	185
Boston Safe D. & T. Co.	14	369
City Trust Co.	12	410
Columbia Trust Co.	5	120
Commonwealth Trust Co.	6	160
Dorchester Trust Co.	..	102
Exchange Trust Co.	..	*
Federal Trust Co.	6	130
International Trust Co.	16	400
Liberty Trust Co.	..	*
Mattapan D. & T. Co.	4	150
Mechanics' Trust Co.	6	115
New England Trust Co.	15	309
Old Colony Trust Co.	20	700
Puritan Trust Co.	6	219
State Street Trust Co.	8	*
United States Trust Co.	12	225

* No public sales.

CHICAGO NATIONAL BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 152 Monroe St., Chicago.

	Div.	Bid.	Asked.
Bankers' National Bank..	8	185	191
Commercial National Bank	12	294	299
Continental National Bank	8	238	245
Corn Exchange Nat. Bank	12	390	398
Drovers Deposit Nat. Bk.	10	218	224
First National Bank....	12	397	402
First Nat. of Englewood	10	200	250
Ft. Dearborn Nat. Bank	8	185	192
Hamilton National Bank	5	129	134
Live Stock Exchange Nat. Bank	10	223	230
Monroe National Bank...	4	120	130
Nat. Bank of the Republic	8	192	197
National City Bank	6	153	157
National Produce Bank	..	121	127
Oakland National Bank..	6	160	...
Prairie National Bank	..	160	...

CHICAGO STATE BANKS.

	Div.	Bid.	Asked.
American Tr. & Sav. Bk.	8	206	212
Central Trust Co.	7	139	144
Chicago City Bank	10	150	175
Chicago Savings Bank....	6	124	130
Colonial Tr. & Sav. Bk.	10	160	170
Drexel State Bank	6	135	142
Drovers Tr. & Sav. Bk...	8	168	180
Englewood State Bank...	6	113	118
Hibernian Banking Assn.	8	200	210
Harris Tr. & Sav. Bank.	8	220	235
Illinois Tr. & Sav. Bk...	16-4ex.	490	505
Kenwood Tr. & Sav. Bank	6	112	115
Lake View Tr. & Sav. Bk.	5	108	112
Merchants Loan & Tr. Co.	12	365	375
Metropolitan Tr. & S. Bk.	6	118	122
Mutual Bank	..	110	118
Northern Trust Co.	8	310	330
North Western Tr. & Sav. Bank	6	140	150
Prairie State Bank	8	255	270
Railway Exchange Bank	4	105	115
Royal Trust Co.	8	180	190
So. Chicago Sav. Bank.	6	120	128
State Bank of Chicago..	12	300	325
Stock Yards Savings Bank	6	170	...
Union Bank	6	121	...
Union Stock Yards Bank.	6	120	128
Union Trust Co.	..	315	...
Western Tr. & Sav. Bank	6	133	140
Woodlawn Tr. & Sav. Bk.	6	120	127

Established 1810

The Bank of Pittsburgh National Association

CAPITAL, $2,400,000 SURPLUS, $2,950,000

THIS bank was organized when Pittsburgh was a village of less than 5,000 inhabitants. It is the oldest Bank in the United States West of the Allegbany Mountains.

WITH resources of over $25,000,000.00 and equipped for all branches of modern banking, it invites conservatively managed banks to designate it as a reserve depository.

OFFICERS

JOSEPH R. PAULL, Vice-Pres.
J. M. RUSSELL, 1st Asst. Cashier
WILSON A. SHAW, President
W. F. BICKEL, Cashier
J. D. AYRES, Asst. Cashier

Franklin National Bank

Capital, $1,000,000

Surplus, $2,000,000

President
J. R. McALLISTER

Vice-President
J. A. HARRIS, Jr.

Cashier
E. P. PASSMORE

Assistant Cashier
C. V. THACKARA

Assistant Cashier
L. H. SHRIGLEY

Foreign Ex. Dept.
WILLIAM WRIGHT
Manager

Invites the Accounts of Banks, Bankers, Corporations, Mercantile Firms and Individuals

Travelers' Letters of Credit and Commercial Credits Issued.
Foreign Exchange in all its Branches.

DIRECTORS

J. HAMPTON BARNES
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THOMAS DE WITT CUYLER
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WILLIAM F. HARRITY
WILLIAM H. JENKS
EDWARD B. SMITH
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LEVI C. WEIR
PERCY C. MADEIRA
ELLIS P. PASSMORE
J. A. HARRIS, Jr.
J. RUTHERFORD McALLISTER
FREDERICK L. BAILY
EFFINGHAM B. MORRIS
EDWARD T. STOTESBURY
HENRY C. FRICK
JOHN B. THAYER

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—At the annual meeting of the New York Clearing-House October 6, William H. Porter, president of the Chemical National Bank, was elected president to succeed Alexander Gilbert; Samuel Woolverton, president of the Gallatin National Bank, was elected secretary, and Manager William Sherer and Assistant Manager William J. Gilpin were re-elected.

The usual committees were named for the coming year, Dumont Clarke being made chairman of the Clearing-House committee. The members of the committees are:

Clearing-House committee — Dumont Clarke, president American Exchange National Bank; A. Barton Hepburn, president Chase National Bank; Edward Townsend, president Importers and Traders' National Bank; Valentine P. Snyder, president National Bank of Commerce in New York; Gates W. McGarrah, president Mechanics' National Bank.

Conference committee — Frederick B. Schenck, president Liberty National Bank; Samuel G. Bayne, president Seaboard National Bank; A. S. Frissell, president Fifth Avenue Bank; William H. Perkins, president Bank of America; William A. Simonson, vice-president Second National Bank.

Nominating committee—Walter E. Frew, vice-president Corn Exchange Bank; Frank A. Vanderlip, vice-president National City Bank; Edward C. Schaefer, president Germania Bank; Francis L. Hine, vice-president First National Bank; Stephen Baker, president Bank of the Manhattan Company.

Committee on admissions—James G. Cannon, vice-president Fourth National Bank; Gilbert G. Thorne, vice-president National Park Bank; Ruel W. Poor, president Garfield National Bank; Zoheth S. Freeman, vice-president Merchants' National Bank; Robert A. Parker, vice-president Market and Fulton National Bank.

Arbitration committee—Alfred M. Bull, vice-president Phenix National Bank; William C. Duncan, president Greenwich Bank; James M. Donald, vice-president Hanover National Bank; George M. Hard, president Chatham National Bank; Francis L. Leland president New York County National Bank.

In his report Manager Sherer submitted the following record of the year's operations of the Clearing-House, the figures being for the twelve months ended September 30:

Exchanges	$73,630,971,913.18
Balances	3,409,632,271.41
Total transactions	$77,040,604,184.59

The average daily transactions:

Exchanges	$241,413,022.66
Balances	11,179,122.20
Total	$252,592,144.86

Total transactions since organization of Clearing-House (fifty-five years):

Exchanges	$1,930,248,133,349.14
Balances	89,694,759,171.06
Total	$2,019,942,892,520.20
Largest exchanges on any one day during the year (July 2, 1908)	$440,527,496.02
Largest balances on any one day during the year (July 2, 1908)	29,358,324.06
Largest transactions on any one day during the year (July 2, 1908)	469,885,820.98
Smallest exchanges on any one day during the year (April 18, 1908)	106,833,749.66
Smallest balances on any one day during the year (Dec. 14, 1907)	5,111,620.43
Smallest transactions on any one day during the year (April 18, 1908)	112,448,927.49

Bankers were well pleased with the choice of Mr. Porter as president of the Clearing-House. He is widely known among them, being probably the best known of the presidents of the New York banks outside of the Wall Street district.

—The Treasury of the United States has purchased 100,000 ounces of silver for the New York assay-office, for which a price of 51.944 cents an ounce was paid.

—Comptroller of the Currency, Lawrence O. Murray has announced a plan whereby the national banks of the country will be divided into examining districts, with a chairman examiner over each district.

Meetings are to be held quarterly in the first week of January, April, July and October, and every examiner must attend if physically able to travel. The chairman of each district will preside at the meetings, compile the report to be made to the Comptroller, and in intervals between such meetings will conduct any necessary or advisable correspondence with the chairmen of other districts or conferences who may require or request information in connection with certain lines of credit.

These reports to the Comptroller are designed to furnish in detail a list of the lines of over-extended credit, large loans and heavy borrowers, and in general all of the questionable or doubtful paper which has come to the attention of the examiners in the districts. It is believed that this plan will result in a closer relationship between the office of the Comptroller and the examiners in the districts, as well as between the examiners in one district and those in a different section of the country. The co-operation of the districts with the Clearing-House associations of the locality is also a contemplated feature which it is believed will result greatly to the advantage of the national banking system in general.

The following are the new districts tentatively determined upon and the examiners specified will be placed in charge of the respective districts:

District No. 1, with headquarters at Boston, Mass., and Examiner Alfred Ewer in charge, will include Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut, comprising the districts of Examiners W. W. Duffett, Jr., Charles W. Curtis, N. S. Bean, W. E. Neal, Harry F. Currier, E. S. Pepper, Joseph Balch and Charles S. Perkins.

District No. 2, with headquarters at New York City, and Examiner Charles A. Hanna in charge, will include New York, New Jersey and Delaware, comprising the districts of examiners Edward J. Graham, Josiah Van Vranken, Charles E. Van Brocklin, Charles H. Chapman, H. S. Bennett, F. N. Buck, Edward E. Watts, F. W. Alderman.

District No. 3, with headquarters at Philadelphia, Pa., and Examiner Frank L. Norris in charge, will include Philadelphia, Maryland, eastern Pennsylvania, Virginia, North Carolina and the District of Columbia, which territory comprises the districts of examiners William M. Hardt, Channing Bingham, F. E. Patterson, S. M. Hann, Owen T. Reeves, Jr., Francis Coates, Jr., Fred A. Hull.

District No. 4, with headquarters at Pittsburgh, Pa., and Examiner Harrison Nesbit in charge, will include Pittsburgh, western Pennsylvania, West Virginia and Ohio, comprising the districts of examiners J. B. Cunningham, W. J. Robinson, John F. Zerbey, C. W. Robinson, M. A. Kendall, A. B. Camp, Charles Starek, H. E. Hoskins, S. L. McCune, S. B. Campbell, T. C. Thomas.

District No. 5, with headquarters at Nashville, Tenn., and Examiner S. H. L. Cooper in charge, will include Tennessee,

South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana and Kentucky, comprising the districts of Examiners J. C. Ridgway, M. E. Patterson, J. K. McDonald, J. A. Armstrong, Percy H. Johnston, W. L. Yerkes.

District No. 6, with headquarters at Chicago, Ill., and Examiner C. H. Bosworth in charge, will include Illinois, Indiana, Michigan and Wisconsin, comprising the districts of Examiners W. J. Butler, Mark L. Harper, Miller Weir, E. S. Hubbell, C. J. Peeples, W. D. Frazer, Wm. E. Springer, D. B. Ainger, George E. Luther, Charles R. Mertens.

District No. 7, with headquarters at Minneapolis, Minn., and Examiner J. A. Rathbun in charge, will include Minnesota, North Dakota and South Dakota, comprising the district of Examiners J. L. Root, Evan S. Tyler, John H. Smith, E. W. Munson, J. C. Johnson.

District No. 8, with headquarters at Kansas City, Mo., and Examiner F. O. Hicks in charge, will include Iowa, Nebraska, Kansas, Missouri, Oklahoma and Arkansas, comprising the districts of examiners W. P. Jones, H. M. Bostwick, E. B. Shaw, W. L. Beuchle, J. A. Cline, John Rush, J. T. Bradley, J. D. Mossman, H. C. Reed, J. M. Hale, Frank W. Bryant, P. G. Walton.

District No. 9, with headquarters at Fort Worth, Tex., and Examiner J. M. Logan in charge, will include Texas, New Mexico and Arizona, comprising the districts of examiners J. W. Hertford, R. L. Vanzandt, J. W. Norvell, C. E. Fargo.

District No. 10, with headquarters at Denver, Col., and Examiner F. L. Klein in charge, will include Colorado, Utah and Wyoming, which States comprise the districts of examiners G. W. Goodell, W. J. Beatie.

District No. 11, with headquarters at San Francisco, Cal., and Examiner E. T. Wilson in charge, will include Montana, Idaho, Washington, Oregon, Nevada and California, comprising the districts of examiners Frank H. Luce, C. S. Loveland, Claud Gatch, J. A. H. Kerr, E. S. Gatch, C. G. Reed.

—Directors of the Mechanics' & Traders' Bank of Brooklyn anticipated on November 2 the second instalment of fifteen per cent. to depositors due November 17 under the deferred payment plan. They are gratified with the success of the institution since it reopened August 17 last.

Already 613 new accounts have been gained, representing $336,000 of additional deposits. At reopening the bank had an agreement with the Empire Trust Co. for a loan of $1,000,000. Only $250,000 in all was borrowed and the bank has since canceled the original agreement.

—Stockholders of the Empire Trust Company have voted to increase the capital stock of the company from $500,000 to $1,000,000, to comply with the new state banking law regarding additional capital for branches.

—A ten-pound note of the English colony of New York, issued February 16, 1771, 137 years ago, antedating the Declaration of Independence, has been presented to Comptroller Metz with a demand for payment.

The calculations are staggering to the Comptroller. His experts make out that if the city is obliged to redeem the note with compound interest it will have to hand over something like $39,000. Metz has asked the Corporation Counsel for legal advice on the puzzle.

The note was sent to Mr. Metz by a commercial agency. It is in a very good state of preservation. Authorized five years before New York, with the other original States, became free from British rule, it bears the old coat of arms of the colony

of the grant to the Duke of York. This coat of arms is the same used now by the city of New York with the exception of the removal of the crown, which was not used after the Revolutionary War. On the bill is the following reading:

"By the law of the Colony of New York this bill shall be received in all payments in the Treasury for 10 pounds.

"Feb. 16, 1771.

"WALTER FRANKLIN.
"SAMUEL VERPLANCK."

The bill has the number 15,466. It also carries the ominous warning:

"'Tis death to counterfeit."

—James K. Rice, Jr., recently associated with Frederic H. Hatch, Raymond J. Chatry, formerly secretary of the Trust Co. of America, and Irving M. Day, recently manager of the bond department of Wm. M. Clarke, have formed a co-partnership under the name of J. K. Rice, Jr., & Co., with offices at 33 Wall Street.

—The American private gold coins were the feature of the third and last day's sale of coins held by Thomas L. Elder at the Collectors' Club recently. Auctioneer Dan R. Kennedy was kept busy tracking the bids for the rare five-dollar Bechtler gold piece struck at a private mint in North Carolina in 1834, which was finally sold to H. O. Granberg of Oshkosh, Wis., for $785, the highest price ever paid for a North Carolina gold coin. It is said that one of these coins sold for $6.40 a few years ago.

The next highest price was $455, paid for a circular fifty-dollar gold piece made by the assaying firm of Wass, Molitor & Co. at San Francisco in 1855. A $2.50 gold piece struck by Templeton Reid, an assayer, who ran a private mint in Lumpkin County, Ga., in 1830, was bought for $335 by Virgil M. Brand of Chicago. An Oregon Exchange Company five-dollar gold piece, dated 1849, with the design of a beaver on the obverse, struck in the Territory of Oregon, fetched $70.

A Clark, Gruber & Co. ten-dollar piece minted by this firm at Denver in 1860 sold for $50, while a fine specimen of Brigham Young's $2.50 piece struck in 1849 at Salt Lake City at the Mormon mint was bid in at $90. A twelve-ruble platinum coin of Russia, dated 1831, one of the only series of coins ever struck in this metal for circulation, brought $40.

—Sufficient cash is now in the hands of Receiver Edwards of the New Amsterdam National Bank to pay depositors and other proved creditors the final dividend of ten per cent. due them, and the checks will soon be prepared for the Comptroller's signature. The receiver believes that after the final payment is made and interest allowed there will still be something left for the bank's stockholders, but he is unable at present to venture an estimate of the amount.

NEW ENGLAND STATES.

—John P. Reynolds, Jr., of Boston, has been made manager of the banking house of E. H. Gay & Co., and will administer $8,000,000 of securities in which they are interested. The firm, which has a branch house in Boston, was connected with many power and electric enterprises.

—Charles T. Hawes has retired from membership in the banking house firm of Paine, Webber & Co., of Boston, and George N. Hersey has been chosen to succeed him.

Mr. Hersey has been associated with the house for a number of years and will hereafter be its board representative. Mr. Hawes will shortly leave Boston for a two years' European trip and will eventually establish his permanent residence abroad.

—A comparison of two statements made by the Peoples National Bank of Marlborough, Mass., one on July 15, and the other on September 23, reveals a rapid, healthy growth in the assets of that institution.

From $11,721 standing to the credit of undivided profits account on July 15, that fund has been increased to $16,317, and so in like proportion has every other item given under resources or liabilities been increased. Resources are now well over a million dollars, individual deposits are now $533,885 and are growing all the time.

—Three new directors were elected at a recent meeting of the Hampden Trust Company board of Springfield, Mass. They are: Edwin C. Spear, Christoper I. Gognier and Charles A. Gleason. This increases the number of directors to sixteen.

—On October 5, the Shelburne Falls Savings Bank of Shelburne Falls, Mass., held its annual meetings and elected these officers: President, G. W. Jenks; vice-president, M. Z. Woodward; clerk, Herbert Newell; treasurer, W. S. Ball.

Business has been very good during the past year, all things considered, and the bank is paying a four per cent. annual dividend.

—At the annual meeting of the North Adams, Mass., Savings Bank, the following officers were chosen for the ensuing year: President, H. W. Clark; vice-presidents, C. H. Cutting, W. H. Sperry and H. T. Cady. H. Tarrey Cady was chosen a member of the board of investment to fill the vacancy caused by the death of Capt. F. A. Wilcoxson.

—Hartford, Conn., can boast of having the oldest savings bank in the state, an institution that has been a powerful factor in business circles in that city.

The Society for Savings, widely known as "The Pratt Street Bank", was incorporated in 1819 and soon became popular.

In 1824 the deposits amounted to $72,347, and at the close of the next year the figures had risen to $90,214, but the gain in the next twelve months was slight as the total deposits amounted then only to $90,750. Three years later, in 1829, the total had reached $110,520 48 which must have seemed an immense amount in those days. Probably none of the bank officials then dreamed that the institution would ever hold deposits of thirty millions and over, but such is now the case.

The Society for Savings may be taken as a model for successful management, but other classes of banks in Connecticut are not behind the savings banks.

During a period covering nearly fifty years there have been only four failures among the national banks of that state, which speaks well for their management and good behavior.

—The annual meeting of the stockholders of the City Guaranty Savings Bank of Nashua, N. H., took place at the banking rooms at 10 o'clock on the morning of October 5 with a large attendance of stockholders. Gen. Charles H. Burns as president, presided. The stockholders elected the following persons as trustees: Charles H. Burns, George F. Wilber, Lester F. Thurber, George A. Sylvester, Herbert L. Flather, Ben Emery Burns, Charles S. Collins, Edwin D. Flanders, A. Wilfred Petit, Daniel A. Fletcher, Franklin M. Winn and Harry W. Ramsdell. Mr. Flather and Mr. Flanders are new members of the board.

The annual report of Harry W. Ramsdell, the treasurer, for the year up to September 30, 1908, was given, accepted and ordered placed on file. This showed the bank had had a very prosperous year, with total assets at the present time of $1,300,000. Mr. Ramsdell was re-elected corporation clerk.

The trustees met immediately after the stockholders' gathering and organized with the choice of General Burns, president, and Mr. Ramsdell, secretary and treasurer.

EASTERN STATES.

—Pittsburgh bankers heartily approve of the plan creating eleven districts of national bank examiners throughout the United States, which has just been announced by Lawrence O. Murray, comptroller of the currency. Bankers say that it not only will strengthen the national banks, but also the system to be employed is such that it puts examiners in a position to check up borrowers.

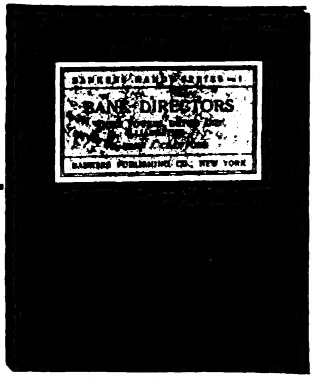
Pittsburgh is to be the headquarters of district No. 4 and Harrison Nesbit, former chief clerk of the solicitor's office of the Department of Commerce and Labor, was appointed by the Comptroller to take charge here. He will direct Bank Examiner John B. Cunningham and eleven other examiners who will examine the national banks of western Pennsylvania, West Virginia and Ohio. These examiners will hold quarterly meetings and the examiners will discuss matters which come under their observation, placing them in a position to judge not only the values of securities, but to ascertain to what extent indiyiduals borrow and where they borrow.

—At the late Pennsylvania Bankers' Association Convention at Bedford Springs, W. A. Law, Merchants' National Bank, of Philadelphia; R. E. James, Easton Trust Company, Easton; W. L. Gorgas, Harrisburg National Bank, and A. S. Beymer, of Pittsburgh, Keystone National Bank, were elected members of the Executive Committee of the American Bankers' Association. No terms were specified, so the four have drawn lots, Mr. Law and Mr. Gorgas drawing the four-year term, Mr. James the two-year and Mr. Beymer the one-year term.

—Robert B. Armstrong, formerly Assistant Secretary of the United States, was elected president of the Consolidated Casualty Company at a special meeting of directors held in Philadelphia. He will assume his new duties immediately, having resigned the presidency of the Philadelphia Casualty Company later in the day.

The Consolidated Casualty Company is a new insurance company with a capital stock of $1,000,000 and a surplus of equal amount. Temporary offices are in the Drexel Building, Philadelphia. The company will commence business on January 1, 1909.

—Beginning on Monday, October 5, the city of Philadelphia celebrated Founders' Week and the Farmers' and Mechanics National Bank threw open its doors each day to many guests. In addition to a valuable and instructive display of old documents, luncheon was served between noon and three o'clock.


BANK DIRECTORS

In 1807 the place of business of the bank was on Chestnut Street, between Third and Fourth Streets, 102 Chestnut Street. In 1819 the bank moved to its present site, upon which stood the Lawrence mansion, occupied by Admiral Howe while the British were in possession of Philadelphia during the Revolutionary War.

—After three months of practical idleness the United States mint in Philadelphia has resumed operations with a full force and at full hours. Orders from the treasury department are expected to be sufficient to keep the mint engaged all winter. For the present coinage will be confined for the most part to the production of subsidiary silver coins. Resumption of gold coinage will follow soon.

—The Barclay Trust Company and the Westmoreland Savings & Trust Company of Greensburg, Pa., have been consolidated, the new company to be known as the Barclay-Westmoreland Trust Company. The capital of the combined institution has been increased to $400,000. John Barclay, a venerable figure in banking in Westmoreland County, will retire except as a director. Officers for the institutions have been elected as follows: David L. Newell, president; Joseph Barclay, treasurer; Thomas Barclay, secretary.

—Rev. Dr. Charles W. Smith of Wilkinsburg, Pa., who was elected bishop of the Methodist Episcopal Church at the conference held in Baltimore a few months ago, has resigned as president of the Central National Bank of Wilkinsburg, and will go to Seattle, Wash., where his church has sent him. Dr. Smith was a man of unusual ability, both as an orator and a bank president and his bank no doubt will feel his loss.

C. S. Marshall, who has been serving as vice-president of the institution, becomes the president.

The Central National Bank of Wilkinsburg is capitalized at $100,000. Its deposits aggregate $400,000, and it has a surplus of $48,000.

—In its new home, one of the finest banking houses in the city, if not in Central Pennsylvania, the Commercial Bank of Harrisburg, Pa., held its formal opening on October 3.

The banking room is finished in beautiful marble and the color scheme is worked out in green and white. Then there are all the conveniences one would expect to find in a progressive bank and the very large vault insures absolute safety.

—Depositors of the defunct First National Bank of Manasquan, N. J., have received a second dividend of twenty-five per cent. amounting to $90,000. The first dividend of thirty per cent., paid in July, amounted to $108,000 and this sum with the $90,000 just paid makes a total of $198,000 returned to creditors since the failure

—At a meeting of the stockholders of the National Bank of Commerce, Rochester, N. Y., held recently, it was decided to increase the capital stock of the institution from $500,000 to $750,000. The increased capital will be issued at $150 a share and will make the surplus and undivided profits $375,000. The plan to increase the capital was recommended by the board of directors.

The National Bank of Commerce opened for business on March 1, 1906, and since that time its growth has been steadily continuous, each month showing a material growth. The report made to the Comptroller of the Currency under the call of September 23, 1908, showed that the bank had total resources at that time of more than $6,000,000.

Plans are now under consideration for the enlargement of the present bank building in order to accommodate the increased business.

—All preliminary arrangements have been effected for the organization of a bank at East Islip, N. Y. The organization committee are identified and the application for the bank has been endorsed by Judge Jaycox, of the Supreme Court, and Supervisor Rogers, of Sayville, N. Y. A memo-

randum of sixty people has already been secured within a week as depositors in the new bank. A purchase for the site of the bank has been made, and a modern up-to-date bank, which is to be one of the finest on the south shore of Long Island, will be erected by William H. Moffitt, of Islip.

The men behind the organization are strenuous workers, and men of capital, brains and prominence. It will be open for business on January 1.

The savings bank department will be a feature in connection with the business part of the First National Bank of East Islip, and it is promised that a percentage will be paid to the depositors equally as generous as any savings bank on Long Island.

—The First National Bank of Monrovia, Frederick County, Md., organized about three months ago with a capital stock of $25,000, three-fourths paid up, began business October 8 under favorable conditions. Deposits to the amount of $3000 were made the first day.

SOUTHERN STATES.

—The entire stock and assets of the Bank of Wyoming, Oceana, West Va., has been bought, taken over and consolidated with the Citizens National Bank of Pineville, and the entire assets moved to Pineville, West Virginia. Jas. H. Gorge, former cashier of the Bank of Wyoming and R. A. Keller, cashier of the Citizens National, will both have charge in the consolidated bank.

—A new banking corporation, to be known as the Fidelity Banking and Trust Company, with $300,000 capital, is being formed at Bluefields, W. Va. It will be the largest banking institution in that portion of the State.

—Great progress is being made on the new building for the Virginia Bank and Trust Company of Norfolk, Va., and the structure will soon be completed. Its architecture is Grecian, which seems to be the style best suited to banks, and the great stone columns which adorn the front of the building give it a classical air so wanting in the majority of buildings.

—On October 4, the first annual stockholders' meeting of the Hampton (S. C.) Loan and Exchange Bank was held, and important business transacted.

An eight per cent. dividend was declared and paid. This speaks well for the official management of the bank, as the bank is now just thirteen months old.

Dr. T. H. Tuten, a prominent physician and well-known business man, is president; W. C. Mauldin is vice-president, and R. O. Bowden is cashier.

—At a meeting of the board of directors of the First National Bank of Waycross, Ga., held October 2, the resignation of Hon. A. M. Knight, as president, which had been tendered on account of continued ill health was accepted with regret. A. Sessoms, formerly president, and the largest individual stockholder of the bank, was re-elected and accepted the position.

The board of directors, consisting of A. Sessoms, A. M. Knight, J. L. Sweat, C. E. Murphy, J. S. Williams, P. N. Harley, J. S. Bailey, J. L. Walker, G. W. Deen, H. C. Seamans and J. C. Reynolds, remains the same, no change having been made therein.

—A charter has been granted to the Bank of Monroe County to be located at Forsyth, Ga. The capital stock is $25,000, and the incorporators are: W. C. Hill, C. W. Hill, H. W. Bramblett, C. W. Carter, J. R. Hill, J. Chamble and C. B. Hollis, of Monroe County, and John D. Walker, of Hancock County.

—Directors of the Citizens Bank of Paris, Tennessee, have voted to increase the capital stock from $25,000 to $50,000 and to become a national bank. In the future the Citizens Bank will be known as the First National of Paris.

—An excellent statement was submitted by the First National Bank of Bristol, Tenn.-Va., at the time of the last call, September 23.

The bank has a paid-in capital of $100,000; a surplus and profits fund of $65,703; deposits of $793,922, and is carrying loans and investments of $802,278.

It is forty years old and is the largest bank in southwest Virginia or northeast Tennessee.

John C. Anderson is president; John H. Caldwell, vice-president; Charles W. Warden, vice-president, and James W. Lynn, assistant-cashier.

—The First National Bank of Sanford, Florida, has just completed a handsome marble bank building and moved in.

All of the fixtures are of mahogany, which contrasts nicely with the marble trimmings and grill work. B. F. Whitner was recently appointed assistant cashier.

—At the annual stockholders' meeting of the Bank of Leakesville, Miss., held October 6, the following directors were elected for the ensuing banking year: J. E. Alderman, J. E. Miller, J. C. Dorsett, W. W. Eley, Hugh McInnis, Nat Owen and L. V. Rounsaville. The new directorate immediately went into session and proceeded to select the official personnel of the bank, viz: Nat Owen, president; J. E. Alderman, vice-president; Jesse Byrd, assistant cashier; J. C. DuBois, Jr., manager Bank of Merrill (a branch); B. W. McLeod, teller. Despite the panicky year expired, when the figures were cast up it was found that a ten per cent. dividend could easily be paid to the stockholders and a neat sum placed to the surplus fund.

—Depositors of the Bank of Stevenson, Ala., who suffered through the recent disappearance of the cashier of that institution with all the available cash, are receiving notes for the full amount of their deposits. The notes are made payable one year from date and are signed by the board of directors of the bank. This action assures all the depositors of full returns of their losses.

—Two banks of Junction City, Texas, the First State Bank and the Kimble County State Bank, have consolidated and reorganized under the name of Junction State bank.

Each institution was organized two years ago and each had $25,000 capital. Charles Schreiner is president and W. G. Boyle is cashier of the consolidated bank.

—T. C. Yantis, president of the Brownwood (Tex.) National Bank, also of the Texas Bankers' Association has announced that his bank will begin immediately the erection of a handsome four-story brick building, to cost $50,000. Modern ideas and

modern fixtures will enter into its construction and the result should be a model banking home.

—The First National Bank of Port Lavaca, Texas, has purchased all the furniture and fixings of the Port Lavaca State Bank. This field was not considered big enough for two banks, therefore the sale of the State Bank's holdings before it had become fully established.

—On the first day of October the Guadalupe Valley Bank of Center Point, Texas, succeeded to the business of the First National Bank of that place. This action of the national becoming a state bank is due to the smooth workings of the new state laws under which 350 state banks are now operating and the change is also due to the belief that a satisfactory guaranty of deposits law will be passed.

MIDDLE STATES.

—William J. Henley, president of the Chicago and Western Indiana Railroad, has been elected a director of the Mutual Bank of Chicago to succeed J. P. Byrne, resigned. Mr. Henley was made president of the Western Indiana recently to succeed Benjamin Thomas.

—After a receivership lasting eleven years, the Chicago Title and Trust Company has wound up the affairs of the Globe Savings Bank and announced the final dividend to the depositors. Altogether the 2500 depositors have received about fifty-three and one-half per cent. on the dollar, representing dividends paid of $232,596.

At the time of the failure the deposits amounted to more than $400,000.

—Edwin L. Wagner, president of the National Produce Bank of Chicago, has been elected a director and vice-president of the South Chicago Savings Bank.

—At a recent meeting of stockholders of the Crete (Ill.) State Bank it was voted to reduce the capital stock from $50,000 to $25,000. This was done because the business did not warrant the payment of sufficient interest on the investment of the larger sum.

—F. M. Byrkit, who for the past thirty-five years, or since its founding in 1873, has been the managing officer of the First National Bank of Red Oak, Iowa, has resigned his position as president of that institution and will retire from active participation in the conduct of the bank, although he will remain on the board of directors. His successor has not been chosen.

Mr. Byrkit, in his letter of resignation called attention to the great panic of 1873, which was raging when the bank was organized and when he as its vice-president and manager had to stand by and see that the institution did not sink into oblivion before it was many days old.

—Definite announcement has been made of the organization of a stock company among the stockholders of the City National Bank of Mason City, Iowa, for the erection of a new bank building on the corner of State and Main streets, the site being recently acquired at a cost of $60,000. The building planned will probably cost in the neighborhood of $75,000 to $100,000, depending some upon the number of stories built. The incorporators are Senator Gale, A. W. Dawson, J. E. Blythe, J. F. Shaible, J. S. Wheeler and Mrs. Mary Adams. The building will be forty-four by eighty-two and a half feet and face Main street. The promoters will not attempt to build this year, as leases on buildings which occupy the site do not expire till March next.

—On October 2, a charter was issued to the First Trust and Savings Bank of Shenandoah, Iowa, to do a general banking business. The capital stock authorized is $10,000, and the directors and the officers are of the same family. T. H. Read is president, E. A. Read, vice-president, and Henry Read, cashier.

—I. H. Sears, one of Davenport, Iowa's, veteran bankers, and president of the Scott County Savings Bank, was eighty-seven years of age on October 9, and a beautiful bouquet of roses, including some fine American Beauties, greeted him on his desk that morning. The flowers were from the bank and its employees and his friends.

Mr. Sears was born near Troy, N. Y., October 9, 1826,. and has been a resident of Davenport, Iowa, ever since 1832. The Scott County Savings Bank was launched on December 1, 1883, with Mr. Sears as president. On December 1 of this year the institution will celebrate its twenty-fifth anniversary.

In spite of his age, Mr. Sears is still hale and hearty and takes an active part in business. His bank was originally located on the southeast corner of Third and Brady streets, and has since been at various locations before it removed to its present location. During the time the institution has been in existence, Mr. Sears has worked together with J. H. Hass, who has been the cashier practically since its beginning.

Mr. Sears has seen all of the financial panics which were of any magnitude during his career. He has some interesting reminiscences of the early days, not only in regard to financial matters, but in all the affairs of life.

—The Northwestern Trust Company of St. Paul, Minn., has been appointed receiver for the State Bank and the Citizens Savings Bank, two allied institutions of that city, which were closed more than a month ago by the public examiner.

The state bank had liabilities exceeding assets to the value of $15,053 and the savings bank owed $10,655 over actual assets.

—At a meeting of the directors of the Union National Bank of Kansas City, Mo., a semi-annual dividend of eight per cent. was declared. Heretofore the rate has been six per cent. semi-annually, but at the same meeting which declared the eight per cent. rate, a recommendation was passed that the dividend be paid quarterly.

—On October 12, the Bank of Buchanan County, St. Joseph, Mo., opened for business, with a capital of $25,000. Walter P. Fulkerson, formerly president of the First National of Buchanan County is the new president; Harry T. Overbeck is cashier and Henry W. Pippert assistant cashier. Both of these young men have been connected with the First National Bank of Buchanan County for the past fifteen years and are well fitted for their duties.

The new bank is handsomely equipped with the most up-to-date contrivances and it has a large circle of business friends.

—A very interesting report was that made by the Mechanics-American National Bank of St. Louis on September 23, for it shows that back of the bare figures there is a well-balanced organization which has made the bank a powerful factor in financial circles.

The Mechanics-American National has a capital stock of $2,000,000, a surplus and undivided profits fund of $3,027,536, and total resources of $33,346,107. These items, with the total deposits standing at $26,335,371, serve to show the great strength of the bank and also prove that its management is of the best.

—The new Terre Haute, Ind., Trust building was formally opened on the afternoon and evening of October 2 with a reception given by the directors and officers of the company and their wives to the public.

The banking room was tastily decorated with roses and ferns, and a large floral horseshoe, with the word "Success" interwoven, which was displayed near the stairway leading to the consultation room and safety vaults, was a gift of neighboring business firms.

In the evening the building was artistically illuminated from the top floor to the basement and every room was thrown open to the inspection of the friends and patrons of the trust company.

I. H. C. Royse, president of the company, stood in the lobby of the banking room and cordially welcomed all visitors with a hearty handshake and invited them

to go through all the various departments of the building.

—The application by E. K. Stewart, Fred Lazarus, M. S. Conners, Ferdinand Baumann and Richard H. Jones for permission to organize the Central National Bank of Columbus, Ohio, with a capitalization of $100,000 has been approved by the national comptroller of the currency.

This is the nationalizing of the American Savings Bank and an increase in the capital of the institution in keeping with the growth and financial importance of Columbus. Many of the most prominent merchants of the city are among the new stockholders.

—A new company has been organized at Prairie Depot, Ohio, to take over the private bank of C. S. Strong. It will be named the Farmers' Banking Co., of Prairie Depot and will have a capital of $30,000. H. C. Fordney is president; D. E. Jackson, vice-president; and Harry Lloyd, cashier. There are fifteen directors, all chosen from that community.

—Depositors of the old Euclid Avenue Savings and Trust Company of Cleveland, Ohio, which failed in January, 1902, have been offered four per cent. interest on their deposits from the day the bank failed until paid by the assignee. All claims have been settled and this interest payment is made by C. H. Stewart, treasurer at the time of the failure.

But attorneys say that if the depositors wait they will undoubtedly receive six per cent. interest in the near future.

—East Toledo, Ohio, is to have another savings bank, and the papers of incorporation are now being prepared. The bank, which will be known as The People's State Savings Bank, will be capitalized at $50,000. The project is being backed by a number of prominent East Side men.

The bank will be located on the southwest corner of Starr avenue and East Broadway, where a handsome two-story brick building will be erected.

O. D. Tiffany, until recently connected with the East Side branch of the Commercial Savings Bank, assistant treasurer, will be cashier of the new bank.

Among those who will be stockholders in the new bank are W. H. Tucker, P. J. Dolan, D. Harpster, C. J. Karg, W. J. Von Ewegen, H. J. Rohrs, E. W. Cairns, E. J. Smith, Julius Comte, Dr. V. O. Moore and Dr. J. D. Salvail.

—The First National Bank of Maysville, Ky., recently threw open their new banking quarters and modern office floors to the public with a general reception lasting all day.

In construction the new building is absolutely fireproof and it is finished throughout in the most approved style. There are five floors; excellent elevator service; an up-to-date heating and lighting plant and every convenience to be found in a modern structure of this kind. The bank's quarters are on the ground floor, very conveniently arranged and finished in marble and bronze. A new vault is being installed which weighs 137 1-2 tons.

The First National, organized in 1880, has a capital of $105,000 and these officers: Ben Longnecker, president; Daniel Perrine, vice-president; and W. W. Ball, cashier.

—On October 6 the Western German Savings Bank of Covington, Ky., held a director's meeting and elected these officers: Louis Fritz, president; William Riedlin, Jr., vice-president; Edward Linneman, secretary and treasurer. The bank although less than a year old, is erecting a handsome building at Ninth and Pike streets, to cost about $35,000 and which it is hoped will be ready for occupancy about January 1.

—The Bankers' Association of the State of Illinois met in annual convention at Chicago October 13 and 14, August Blum, vice-president of the First National Bank, Chicago, presiding. In addition to President Blum's "annual review," addresses were made as follows: "Commercial Paper," James G. Cannon, vice-president Fourth National Bank, New York; "Guaranty of Bank Deposits," Professor J. Laurence Laughlin, University of Chicago. Secre-

tary Judson's report showed a membership of 1230.

Officers were elected as follows: President, James McKinney; vice-president, O. G. Foreman.

Frank P. Judson, cashier of the Bankers National Bank of Chicago, was presented with a valuable chest of silverware in recognition of his long and efficient service as secretary of the association.

—Marwick, Mitchell & Co., accountants, have opened an office at 1322 Commerce Building, Kansas City, Mo., under the management of Willis C. Dunbar and A. J. Watson. This firm, which makes a specialty of bank accounting and auditing, now has offices in New York, Washington, Philadelphia, Pittsburgh, Chicago, Kansas City, St. Paul, Minneapolis, Winnipeg, Glasgow and London.

WESTERN STATES.

—A new banking institution organized in Shoshone, Idaho, will be called the Lincoln County National Bank and will have a capital of $30,000. The officers are: Joseph Keefer, president; Gilbert White, vice-president. The cashier's name is not obtainable at present, but it is known he is from Salt Lake City.

—The Northwestern National Bank of Minneapolis issues a very attractive statement folder, but more pleasing than the mere typographical form are the figures contained therein. Its special August 26th statement shows resources of $26,441,975.60. This bank now has greater deposits than any other bank in the Northwest, outside of Chicago. The total deposits in the statement referred to are $20,722,037.45—an increase of $1,455,000 since the absorption of the National Bank of Commerce June 10th last and an increase of $1,233,000 over the combined deposits of both banks on August 26th. 1907.

—A new bank has been organized at Sandpoint, Idaho, to be known as the Bonner County National Bank. It will have a capital stock of $50,000, three-fourths of which will be owned by Sandpoint citizens. A. Kuhn, president of the Traders National Bank of Spokane, will be president of the new institution and George W. Ade, of San Francisco, will be cashier.

—The First Trust Company, of Moscow, Idaho, has just completed the remodeling and refurnishing of its banking house. The improvements to the building include a new front, tile floor, and a new vault double the size of the old one. The bank can now boast of as fine a banking house as any in North Idaho.

—The First National Bank of Carson City, Nev., has opened its doors to the public in the Nye & Ormsby County Bank building and will hereafter do a general banking business in Carson City. The officers of the new institution are: James A. Raycraft, president; John P. Marshall, cashier; Paris B. Ellis, vice-president; and directors: George T. Mins, P. B. Ellis, Henry Decker, James A. Raycraft and Frank Golden.

Although the new bank is located with and in the same room as the Nye & Ormsby County Bank and the same men are doing business for both institutions the two banks are entirely separate and distinct. They will remain so, but the Nye & Ormsby County Bank will settle its business as rapidly as possible and wind up its affairs and then retire leaving the field and place to the First National Bank which will replace it eventually.

The Nye & Ormsby bank was among the banks of Nevada which closed during the financial stringency about ten months ago. It agreed with its depositors to pay them in instalments if given the liberty to open its doors and not be subject to demands for withdraws. The depositors unanimously accepted the proposition and at the present time the depositors of the old institution are paid, there being in fact only five per cent. of the amounts left. This will be settled within a short time and the affairs of the bank wound up.

The new institution is the first national bank ever established in Carson City and it no doubt will have a great patronage. Owing to the fact that the local mint is a purchasing point for the government bullion there is little doubt of the bank being made a United States depository and also receiving other advantages.

—One of the strongest banks in Colorado, the First National of Pueblo, rendered a very satisfactory statement to the Comptroller at the close of business September 23.

This bank capitalized at $300,000, has deposits of $7,082,137 and a surplus of

$310,274, which it will be noticed is a larger sum that the capital. The First National was established in 1871 and its officers are: M. D. Thatcher, president; John A. Thatcher, vice-president; R. F. Lytle, cashier; and A. S. Booth, H. J. Smith, G. F. Trotter, assistant cashiers.

—One of the prominent figures at the recent American Bankers' Association convention at Denver was a woman, Mrs. L. A. Bacheller of Fingal, N. D., who is president of the First National Bank of Fingal.

Mrs. Bacheller was elected three years ago when the convention met in St. Louis, and then as she was vice-president of her bank and the first woman holding the office of vice-president, she was presented with an immense bunch of American Beauty roses. Mrs. Bacheller has been in the banking business for ten years. She entered the business and marriage at practically the same time. She was a school teacher in a small town in North Dakota and met her husband while he was in the banking business. This induced her to follow the same business and her venture resulted in her marriage.

It was a banking wedding, and since they have no children Mrs. Bacheller says their banks are their children. Mr. Bacheller is president of the other bank in the city.

—Following the general trend of business toward Broadway, the Colorado State and Savings Bank of Denver, which was incorporated recently, has opened offices on the ground floor of the Majestic building at the corner of Tremont, Sixteenth and Broadway. Besides doing a general banking business the institution will also carry savings bank and safe deposit departments.

Many of the officers and directors of the new bank are well known in Denver commercial circles. William A. McCutchen, the president, for fifteen years was head of the Pan Handle National Bank of Wichita Falls, Texas. Vice-President Robert S. Brownlie, has been engaged in business in Oklahoma and Texas.

Of the nine directors, John R. Townsend is widely connected in Kansas City commercial affairs; Floyd R. Lilyard and Fred T. Henry are Denver attorneys; W. M. Price, Jr., and Sherley Moore are active local real estate men; Dallas J. Osborne is president of two large Denver firms, and Dr. Melville Black is a leading physician and realty holder in Denver.

—In a statement of condition September 23, the Citizens National Bank of Glenwood Springs, Colo., reports deposits of $157,050; loans and discounts of $104,494; a lawful reserve of $13,355; surplus of $7,000 and undivided profits of $884.

—A new bank known as the State Mutual Savings Bank has opened for business in Wichita, Kansas, with a paid up capital of $50,000. Its management is vested in a board of directors but the active manager will be J. H. McKnight, who will be president and cashier. The State Mutual Savings Bank has been organized to take care of the savings of the wage earners and the surplus and savings of thrifty people of limited means, hence it does not receive deposits subject to check, but confines its business strictly to taking care of the savings of the people of limited means, who prefer absolute safety of principal to extravagant interest rates.

—The following officers and directors have been elected by the Central Bank, Eureka Springs, Arkansas:

President, C. F. Humphreys; vice-president, Dr. J. D. Jordan; secretary, John L. Gates; treasurer, G. H. McLaughlin. The bank opened for business on October 1.

PACIFIC STATES.

—For the first time, a Seattle, Wash., bank is leading the entire Northwest in strength and in amount of deposits. The statement of all banks of the Northwest, as made at the call of September 23, shows that the National Bank of Commerce, of Seattle, has deposits of $11,769,599.75, several hundred thousand greater than the First National Bank, of Portland, which up to this time has always led the Northwest. The Ladd & Tilton Bank, of Portland, also passed the First National Bank, of that city, in deposits, but has many thousand dollars less on deposit that the Seattle institution.

The Seattle bank gained $599,808.06 in deposits between July 15 and September 23, and this gain put it far in the lead. The nearest bank to the East with a larger deposit is Minneapolis, the nearest to the South San Francisco, and the nearest to the Southeast Denver. The National Bank of Commerce is among the leading six banks west of the Missouri river in amount of deposits.

—Joseph A. Swalwell, until recently cashier of the First National Bank of Everett, Wash., has been appointed cashier of the National Bank of Commerce of Seattle. Mr. Swalwell was with the Everett institution for sixteen years so that he is a banker of experience and should strengthen the Seattle bank with which he is now affiliated.

—A consolidation has been effected between the First National and the Bank of Quincy, Wash., and the combined banks

will do business under the name of the First National.

H. H. Van Velsor, formerly president of the Bank of Quincy, is now president of the consolidated bank; G. E. Sanderson is cashier, and R. C. Wrightman is assistant cashier.

—J. O. Isaacson, of Pasadena, Cal., has purchased the controlling interest in the Central Point State Bank of Central Point, Oregon.

This bank is in a flourishing condition and as Mr. Isaacson is a banker of experience, having owned several banks, the investment should be a good one.

—Receiver E. J. Le Breton of the defunct California Safe Deposit and Trust Company of San Francisco has reported to the State Board of Bank Commissioners that the depositors will receive about 23.78 on the dollar.

The receiver also states that the money has been coming slowly and it will take four or five years to wind up the institution.

—The First National of San Francisco has installed an immense vault in its building, which is for its own use and also for customers who wish to rent boxes for valuables.

The entire vault is constructed of Harveyized armor plate, three and a half inches in thickness, and is of the same variety used on the modern battle ships. As completed the vault weighs 110 tons and is bomb, fire, earthquake and burglar proof.

When all the nine separate pieces are put together, forming a cube, the vault can be rolled over and over without injury The armor plate has been tested by the government and was found to be proof against a six-inch projectile.

Over the vault is an air space of three inches covered by a layer of concrete nine inches in thickness, and between this and another nine-inch wall of concrete there is a second air space of three inches.

The vault as completed is one of the best of its kind in the country.

—The Anglo-Californian Bank of San Francisco is to become a national bank. This step will be taken because of the advantages that attach to the national bank system, for as the organization now stands, the board of directors reside in England, near the home office, but converted to a national bank, there would be a local board of directors co-operating with the manager. The bank's capital is $1,500,000; surplus $1,300,000, and deposits, $8,397,000.

—The German-American Savings Bank of Los Angeles has sold its furniture, fixtures and lease of its branch at First and Main streets together with the commercial checking accounts, amounting to some $125,000 in deposits, to the newly-organized Traders' Bank of Los Angeles and will concentrate all its business as a savings bank only in its fine new home at Fourth and Spring streets.

The Traders' Bank opened for business at First and Main streets October 1, making this location its headquarters, and operating branches at Third and Central, in the quarters formerly occupied by the Market and Produce Bank, and at Thirty-third and Main, in the banking room formerly the home of the Main Street Bank. Its officers and directors are those men who have been active in the management of the last-named banks. These latter were forced to merge under a new name and increase the capitalization to $200,000 by the operation of the Clearing-House Rule, passed a few months after the financial disturbance last year. It will have a capital of $200,000 fully paid, and has some of the strongest and most prominent business men in the city identified in its management.

Philip L. Wilson is president. The vice-presidents are J. P. Coulston, president of the Crown City Bank of Pasadena, the Colton National and the Covina National; E. R. Brainard and J. M. Carpenter. W. W. Jones is cashier. The assistant cashiers are Thomas F. Cooke, C. H. Havens, E. W Deibler and A. B. McChord.

—Frank H. Denman has been elected president of the Petaluma (Cal.) Savings Bank, vice George P. McNear, resigned. John Lawler was elected secretary, vice-Frank A. Cromwell, resigned. Press of business is given as the cause for the change in the head office. McNear is president of three banks in Sonoma county.

—The First National Bank of Chico, Cal., is to spend $6,000 in putting in a safe deposit system and directors' and reception rooms. When the improvements planned are completed the banking quarters will be very handsome and attractive.

—W. B. Ames, president of the Bank of Los Angeles, Cal., has sold his stock in that bank to W. T. Callander, cashier of the German-American Savings Bank, of Los Angeles, and will hereafter devote his entire time and attention to the Los Angeles Savings, Mortgage and Trust Company, of which he is president.

Mr. Callander is a well-known savings bank man, and for the last four years he has been cashier of the German-American Savings. John F. Andrews, first assistant cashier of the German-American, has been elected to succeed Mr. Callander as cashier. Mr. Andrews has been with this institution, in various positions, for the last thirteen years.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Torrington, Wyo.; by H. S. Clarke, Jr., et al.
Merchants National Bank, Billings, Mont.; by T. A. Marlow, et al.
Clayton National Bank, Clayton, N. J.; by H. H. Pond, et al.
Milford National Bank, Milford, Iowa; by H. S. Abbott, et al.
Farmers National Bank, Union, N. Y.; by Frank E. Day, et al.
National Bank of Wappingers Falls, Wappingers Falls, N. Y.; by John H. Wixson, et al.
Central National Bank, Columbus, O.; by J. F. Stone, et al.
Bonner County National Bank, Sandpoint, Ida.; by Aaron Kuhn, et al.
First National Bank, Choteau, Mont.; by P. I. Cole, et al.
First National Bank, Wyanet, Ill.; by J. R. Sapp, et al.
First National Bank, Rowlesburg, W. Va.; by E. M. Carver, et al.
Lincoln County National Bank, Shoshone, Ida.; by Frank T. Disney, et al.
National Bank of Far Rockaway, Far Rockaway, N. Y.; by C. B. Wheeler, et al.
Farmers National Bank, Wilkinson, Ind.; by J. F. Evans, et al.
Farmers and Merchants National Bank, Bridgton, N. J.; by M. F. Appelgate, et al.
First National Bank, Mendon, O.; by A. H. Barber, et al.
Loganton National Bank, Loganton, Pa.; by T. R. Harter, et al.
First National Bank, Fromberg, Mont.; by F. M. Brooder, et al.
Farmers National Bank, Danville, Va.; by W. H. Barker, et al.
First National Bank, Nichols, N. Y.; by W. M. Synder, et al.

Applications for Conversions to National Banks Approved.

Farmers and Merchants Bank, Thomson, Ga.; into First National Bank.
Citizens Bank, Paris, Tenn.; into First National Bank.
Bank of Butte County, Chico, Cal.; into Butte County National Bank.
Parma State Bank, Limited, Parma, Ida.; into First National Bank.

National Banks Organized.

9242—First National Bank, Carson City, Nev.; capital, $50,000; Pres., James A. Raycraft; Vice-Pres., P. B. Ellis; Cashier, J. P. Marshall.
9243—Farmers and Traders National Bank, Hillsboro, O.; capital, $50,000; Pres., A. Matthews; Vice-Pres., J. D. W. Spargur; Cashier, Philip C. Berg.
9244—Citizens' National Bank, Wayne, Neb.; capital, $60,000; Pres., A. L. Tucker; Vice-Pres., H. C. Henney; Cashier, D. C. Main; Asst. Cashier, H. B. Jones.
9245—Union National Bank, Dallas, Tex.; capital, $200,000; Pres., E. G. Patton; Vice-Pres., Isaac B. Walker; Cashier, Walter O. Siler; Conversion of Union Bank and Trust Company, Dallas.
9246—Albemarle National Bank, Charlottesville, Va.; capital, $100,000; Pres., L. T. Hanckel; Vice-Pres., R. T. W. Duke, Jr.; Cashier, R. T. Martin; Conversion of the Bank of Albemarle.
9247—Citizens' National Bank, Shenandoah, Pa.; capital, $100,000; Pres., James Bell; Vice-Pres's., Joseph Rynkiewicz and J. A. Mandour; Cashier, Geo. H. Krick.
9248—Farmers and Miners' National Bank, Forest City, Pa.; capital, $50,000; Pres., H. P. Johns; Vice-Pres's., Martin Muchitz and E. A. Bloxham; Cashier, R. R. Zarr.
9249—First National Bank, Howard, Pa.; capital, $25,000; Pres., S. H. Bennison; Vice-Pres., Abraham Weber; Cashier, Matthew Rodgers, Jr.
9250—First National Bank, Center Point, Ind.; capital, $25,000; Pres., L. C. Kennedy; Vice-Pres., C. O. Rentschler; Cashier, S. W. Henderson.
9251—First National Bank, Ackerman, Miss.; capital, $25,000; Pres., J. B. F. Sides; Vice-Pres., Jas. W. Norment; Cashier, N. A. Perry.
9252—First National Bank, Elberton, Ga.; capital, $60,000; Pres., J. F. Holden; Vice-Pres., M. E. Maxwell; Cashier, George P. Allen; Asst. Cashier, H. P. Hunter.
9253—Farmers National Bank, Waseca, Minn.; capital, $50,000; Pres., R. P. Ward; Vice-Pres., D. S. Cummings; Cashier, C. H. Bailer; Asst. Cashier, C. B. Turnacliff; Conversion of Peoples State Bank, Waseca.
9254—Colquitt National Bank, Colquitt, Ga.; capital, $40,000; Pres., W. P. Watson; Vice-Pres., J. A. Bush; Cashier, W. E. Williams.
9255—Farmers National Bank, Arcanum, O., capital, $50,000; Pres., W. J. Dull; Vice-Pres., A. M. Flory; Cashier, O. O. Smith; Asst. Cashier, L. L. Miller; Conversion of Farmers Bank Company, Arcanum.
9256—First National Bank, Fairfield, Pa.; capital, $25,000; Pres., J. U. Neely; Vice-President, P. Kready; Cashier, Jas. Cunningham.
9257—Telford National Bank, Telford, Pa.; capital, $25,000; President, Edwin C. Leidy; Vice. Prés's., Josiah M. Landis, J. C. Wisner and Henry B. Freed; Cashier, J. L. Fravel.
9258—First National Bank, Callaway, Neb.; capital, $25,000; Pres., William Tyson; Vice-Pres., Thomas Norbury; Cashier, E. M. Warner; Conversion of Seven Valleys Bank, Callaway.
9259—Millersville National Bank, Millersville, Pa.; capital, $25,000; Pres., Jacob H. Pickle; Vice-Pres's., Milton T. Reeder and F. F. Brenner; Cashier, Isaac N. Witmer.
9260—Califon National Bank, Califon, N. J.; capital, $25,000; Pres., Elston Beaty; Vice-Pres's., Edson J. Neighbour and Wm. Philhower; Cashier, W. H. Long.
9261—Waynesboro National Bank, Waynesboro, Va.; capital, $25,000; Pres., Pliny Fishburne; Vice-Pres., J. C. Plaine; Cashier, S. W. Thompson.

NEW STATE BANKS, BANKERS, ETC.

ARKANSAS.

Eureka Springs—Central Bank; capital, $15,000; Pres., C. F. Humphreys; Vice-Pres., J. D. Jordan; Cashier, L. L. Blands.
Lowell—Bank of Lowell; capital, $10,000; Pres., W. F. Farrar; Vice-Pres., W. F. Greene; Cashier, A. E. Richards.
Sulphur Rock—Bank of Sulphur Rock; capital, $50,000; Pres., Sam Tuggle; Vice-Pres., J. H. Jimerson; Cashier, E. M. Ford.
Wilson—Bank of Wilson; capital, $6,000; Pres., M. J. Blackwell; Vice-Pres., J. W. Rhodes; Cashier, N. S. Jett.
Wilton—Bank of Wilton; capital, $10,000; Pres., W. C. Greenway; Vice-Pres., J. E. Smith; Cashier, G. M. Silford.

CALIFORNIA.

Los Angeles—City and County Bank; branch of Park Bank; capital, $50,000; Pres., W. B. Ames; Vice-Pres., F. E. Pierce; Cashier, H. P. Spencer.

COLORADO.

Denver—Colorado State and Savings Bank; capital, $25,000; Pres., W. A. McCutchen; Vice-Pres., R. S. Brownlie; Cashier, W. L. McCutchen.
Englewood—Arapahoe State Bank; capital, $10,000; Pres., L. C. Greenlee; Vice-Pres., J. A. Grout; Cashier, F. N. Briggs.
Kersey—Kersey State Bank; succeeded Kersey Bank; capital, $10,000; Pres., B. P. Brooks; Cashier, D. M. Decamp.
Merino—Merino State Bank; capital, $10,000; Pres., J. R. Sheely; Vice-Pres., T. K. Propst; Cashier, G. M. Larsen.

FLORIDA.

Jacksonville—Atlantic Trust Co.; capital, $150,000; Pres., E. W. Law; Vice-Pres., A. S. Hubbard.

GEORGIA.

Jonesboro—Bank of Clayton County; capital, $15,000; Pres., L. Z. Gilbert; Vice-Pres., J. S. Cousins; Cashier, L. M. King.
Tallapoosa—Bank of Tallapoosa; capital, $15,000; Pres., H. A. Jackson; Vice-Pres., J. C. Tumlin; Cashier, R. C. Key.

IDAHO.

Gooding—Lincoln County State Bank; capital, $10,000; Pres., G. N. Wedgwood; Vice-Pres., W. H. Cannon; Cashier, H. J. Leyson.

ILLINOIS.

Hopedale—Baldwin, Crabb & Co.; succeeded Hopedale Bank; capital, $25,000; Pres., W. R. Baldwin; Vice-Pres., J. W. Crabb; Cashier, Joseph Kreuter.

INDIANA.

Garrett—Garrett Savings Loan and Trust Co.; capital, $25,000; Pres., P. D. West; Vice-Pres., M. L. Green.
Macy—Citizens Bank; capital, $10,000; Pres., W. Musselman; Vice-Pres., H. B. Harter; Cashier, S. B. Musselman.

IOWA.

Alleman—Farmers Savings Bank; capital, $10,000; Pres., J. P. Alleman; Vice-Pres., A. Hildreth; Cashier, M. H. Johnson.
Bentley—Bentley Savings Bank; succeeded Bentley Bank; capital, $10,000; Pres., T. G. Turner; Vice-Pres., C. D. F. Langfeldt; Cashier, W. L. Spencer.
Greeley—Security Savings Bank; capital, $15,000; Pres., W. H. Norris; Vice-Pres., J. D. Chase; Cashier, F. B. Wilson.
Hazleton—Kiefer Savings Bank; succeeded Kiefer Bros. Banking Co.; capital $10,000; Pres., Adam Kiefer; Vice-Pres., E. R. Prindle; Cashier, K. K. Kiefer.
Lamoni—State Savings Bank; capital, $30,000; Pres., W. Anderson; Vice-Pres., A. A. Dancer; Cashier, W. A. Hopkins; Asst. Cashier, Oscar Anderson.
Luana—Luana Savings Bank; capital, $10,000; Pres., R. J. Stoeler; Vice-Pres., J. F. Miller; Cashier, W. J. Mitchell.
Selma—Selma Savings Bank; capital, $10,000; Pres., T. G. McClure; Vice-Pres., Will Michael; Cashier, F. H. Reno.
Wesley—Security Bank; succeeded Hill & Hall; capital, $25,000; Pres., G. B. Hall; Cashier, L. H. Rasmuson.

KANSAS.

Stockton—Farmers State Bank; capital, $20,000; Pres., E. E. Aukes; Vice-Pres., A. Hazen; Cashier, G. H. Ruhanh.
Wichita—State Mutual Savings Bank; capital, $50,000; Pres., J. H. McKnight; Cashier, J. H. McKnight.

KENTUCKY.

Calvert City—Calvert Bank; capital, $15,000; Pres., J. W. Halstead; Vice-Pres., R. M. Jones; Cashier, R. L. Holland.

LOUISIANA.

Denham Springs—Bank of Denham Springs; capital, $15,000; Pres., W. I. Cockerham; Vice-Pres., J. O. Landry; Cashier, J. L. Westbrook.
Youngsville—Bank of Youngsville; capital, $26,000; Pres., P. B. Roy; Vice-Pres., R. O. Young; Cashier, P. R. Duplex.

MICHIGAN.

Birmingham—First State Savings Bank; capital, $20,000; Pres., Frank Ford; Vice-Pres., Frank Hagerman; Cashier, T. H. Cobb.
Harriette—Bank of Harriette; Cashier, C. W. Barry.
Haslett—Exchange Bank of Haslett; capital, $200,000; Pres., E. M. Babbitt; Vice-Pres., Martin Leeman; Cashier, J. G. Marsh.
Litchfield—Litchfield State Savings Bank; capital, $20,000; Pres., C. G. Sherk; Vice-Pres., G. P. Benedict; Cashier, H. S.

MINNESOTA.

Fosston—Farmers State Bank; capital, $10,000; Pres., J. A. Northrop; Vice-Pres., E. Larson; Cashier, M. A. Hendrickson.

MISSISSIPPI.

Waynesboro—Merchants and Planters Bank; capital, $25,000; Pres., G. T. Heard; Vice-Pres., E. Cahn; Cashier, W. B. McMorries; Asst. Cashier, F. M. Gray.

MISSOURI.

Piedmont—Peoples Banking Co.; capital, $25,000; Pres., Charles Carter; Vice-Pres., Wm. Carter; Cashier, W. Z. Carter.
St. Joseph—Bank of Buchanan County; capital, $25,000; Pres., W. P. Fulkerson; Vice-Pres., H. A. Chapman; Cashier, H. W. Pippert.

NEBRASKA.

South Sioux City—Bank of South Sioux City; capital, $10,000; Pres., M. I. Ayres; Vice-Pres., J. J. Elmers; Cashier, G. J. Boucher.

NEW MEXICO.

San Marcial—Bank of San Marcial; capital, $15,000; Pres., Frank Johnson; Vice-Pres., F. Wilson; Cashier, W. J. Joyce.

NORTH DAKOTA.

Benedict—First State Bank; capital, $10,000; Pres., C. T. Langridge; Vice-Pres., R. C. Willis; Cashier, T. Johnson.
Hamar—First State Bank; capital, $10,000; Pres., E. S. Severston; Vice-Pres., O. G. Cooling; Cashier, E. A. Lindstrom.
Rock Lake—Farmers State Bank; capital, $15,000; Pres., W. J. Lichty; Vice-Pres., U. W. Hawkinson; Cashier, H. B. Gray.

OHIO.

Bellville—Farmers Bank; capital, $25,000; Pres., August Kectheiser; Vice-Pres., B. Shafer; Cashier, A. C. Sparks.
Lewisburg—Peoples Banking Co.; capital, $30,000; Pres., H. P. Smith; Vice-Pres., E. C. Crider; Cashier, W. C. Moore.
Liverpool—Farmers' Deposit Bank; capital, $25,000; Pres., S. A. Raridon; Cashier, B. S. Stebel.
Prairie Depot—Farmers Banking Co.; capital, $30,000; Pres., H. C. Cordrey; Vice-Pres., D. E. Jackson; Cashier, H. B. Lloyd.
Rushville—Rushville Banking Co.; capital, $15,000; Pres., R. W. Kerr; Vice-Pres., S. B. Neeley; Cashier, C. H. Bowers.

OKLAHOMA.

Ada—Oklahoma State Bank; succeeded City National Bank; capital, $25,000; Pres., J. W. Hays; Vice-Pres., W. H. Ebey; Cashier, W. D. Hays.
Capital Hill—State Bank; capital, $10,000; Pres., C. E. Beard; Vice-Pres., C. S. McKinzie; Cashier, J. H. Smith.
Cushing—Cushing State Bank; capital, $10,000; Pres., W. E. Berry; Vice-Pres., E. C. Mullendore; Cashier, E. J. Blank.
Cyril—Bank of Cyril; capital, $10,000; Pres., E. E. Shipley; Vice-Pres., A. E. Hiatt; Cashier, C. S. Stephenson.
Gage—Bank of Gage; succeeded First National Bank; capital, $25,000; Pres., J. L. Pryor; Vice-Pres., G. E. Baker; Cashier, R. M. Sowers.
Hastings—Bank of Hastings; succeeded National Bank of Hastings; Pres., J. A. Smith; Vice-Pres., J. H. Porter; Cashier, A. R. Arnold.
Rosedale—American State Bank; capital, $10,000; Pres., W. Chandt; Vice-Pres., W. H. Nichols; Cashier, A. F. Holmgren.
Tangier—Farmers State Bank; capital, $10,000; Pres., W. H. Potter; Vice-Pres., J. E. Young; Cashier, R. J. Zeidler.

SOUTH CAROLINA.

Florence—Peoples Bank; capital, $100,000; Pres., J. W. McCown; Vice-Pres., S. H. Saunders; Cashier, J. C. Rogers.

SOUTH DAKOTA.

Chelsea—Chelsea State Bank; capital, $10,000; Pres., G. R. Woodferd; Vice-Pres., Fred Person; Cashier, R. O. Corning.
Greenway—Greenway State Bank; capital, $10,000; Pres., C. Vorlander; Vice-Pres., F. W. Boettcher.
Mobridge—Farmers State Bank; capital, $10,000; Pres., N. L. Nelson; Vice-Pres., Wm. Benoist; Cashier, E. P. Peterson.

TEXAS.

Ravenna—Ravenna State Bank; capital, $10,000; Pres., J. B. Walker; Vice-Pres., A. C. Bishires; Cashier, J. E. Kimbrough.
Centerpoint—Union Trust Co.; capital, $200,000; Pres., L. C. Balch; Vice-Pres., G. P. McCorkle.
Stockdale—First State Bank; succeeded Farmers and Merchants Bank; capital,

$20,000; Pres., B. M. Covington; Vice-Pres., C. Sikes; Cashier, J. H. Bain.

Trent—First State Bank; capital, $10,000; Pres., J. F. Warren; Vice-Pres., Henry James; Cashier, L. E. Adrian.

Washburn—Washburn State Bank; capital, $10,000; Pres., James Logue; Vice-Pres., R. E. Logue; Cashier, G. M. James.

UTAH.

Oasis—State Bank of Oasis; capital, $10,000; Pres., Wm. Huff; Vice-Pres., M. Moody; Cashier, J. C. Fairweather.

VIRGINIA.

Montross—Bank of Montross; capital, $25,-000; Pres., G. C. Mann; Vice-Pres., R. H. Stuart; Cashier, A. E. Carver.

WASHINGTON.

Camas—Camas State Bank; capital, $10,000; Pres., H. H. Rosenberg; Vice-Pres., J. H. Rosenberg; Cashier, O. F. Johnson.

Lamont—Lamont State Bank; capital, $10,-000; Pres., Daniel Morgan; Vice-Pres., F. B. Grinnell; Cashier, M. R. Higlor.

WISCONSIN.

Merrimac—State Bank; capital, $10,000; Pres., M. J. Kindschi; Vice-Pres., F. A. Cooper; Cashier, E. J. Von Berg.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Opp—First National Bank; A. S. Douglas, Vice-Pres., in place of L. A. Boyd; C. W. Mizell, Cashier, in place of S. W. Boyd; no Asst. Cashier, in place of C. W. Mizell.

ALASKA.

Valdez—A. S. Levy & Co.; title changed to S. Blum & Co., Pres., S. Blum; Vice-Pres., M. Blum.

CALIFORNIA.

Corona—Corona National Bank; C. D. Mc-Neil, Pres., in place of W. J. Pentelow.

East Auburn; First National Bank of Auburn; W. F. Jacobs, Pres., in place of A. Shadbolt.

Glendale—First National Bank; Dan Campbell, Cashier, in place of E. V. Williams; Mr. Campbell continues as Vice-Pres.; E. F. Keatinge, Asst. Cash.

Los Angeles—German American Savings Bank; J. F. Andrews, Cashier, in place of W. F. Callander.—Bank of Los Angeles; W. F. Callander, Pres., in place of W. B. Ames.

Petaluma—Petaluma Savings Bank; Frank H. Denman, Pres., in place of H. T. Fairbanks; John Lawler, Jr., Cashier, in place of F. A. Conwell.

COLORADO.

Aspen—State Bank; title changed to Aspen State Bank; D. R. C. Brown, Pres.; L. A. W. Brown, Vice-Pres.; G. R. Cole, Cashier.

Cortez—Cortez National Bank; title changed to First National Bank.

Denver—United States National Bank and National Bank of Commerce consolidate under former title; Pres., Gordon Jones, in place of W. A. Hover; A. C. Foster, Vice-Pres., in place of Gordon Jones; W. B. Morrison, Cashier, in place of A. C. Foster.

Julesburg—First Natienal Bank; C. F. Parker, Pres., in place of Lewis Linebarger; T. V. Grantham, Cashier, in place of H. N. Linebarger; W. M. Smelser, Asst. Cashier, in place of T. V. Grantham.

Lyons—Bank of Lyons; title changed to State Bank of Lyons; Geo. Stickney, Pres.; M. W. Turner, Cashier.

CONNECTICUT.

Bridgeport—No Pres. in place of David Trubee, deceased.

Greenwich—Greenwich National Bank; A. F. Rippel, Asst. Cashier.

GEORGIA.

Athens—University Savings Bank; R. W. Sizer, Cashier, in place of W. P. Brooks.

Augusta—National Exchange Bank; P. E. May, Pres., in place of W. B. Young; Wm. K. Kitchen, Vice-Pres., in place of P. E. May.

Chatsworth—Bank of Chatsworth; J. M. Sanders, Pres., in place of A. L. Keith; T. W. Brooks, Cashier, in place of S. M. Barnett.

Columbus—National Bank of Columbus; Rhodes Browne, Pres., in place of W. B. Slade.

Fitzgerald—First National Bank; A. H. Thurmond, Cashier, in place of J. E. Turner; T. W. Hawkes, Asst. Cashier.

Rockmart—Rockmart Bank; B. F. Burnett, Cashier, in place of H. B. Sasser.

Toccoa—Farmers and Merchants Bank; J. E. D. Isbell, Vice-Pres., in place of C. A. Cooper.

IDAHO.

Harrison—First Bank of Harrison; W. A. McEachern, Vice-Pres., in place of R. K. Wheeler.

Mullan—First National Bank; Stanley A. Easton, Vice-Pres., in place of W. D. Greenough.

Montpelier—First National Bank; R. A. Sullivan, Cashier, in place of E. A. Burrell; no Asst. Cashier, in place of Geo. E. Marks.

ILLINOIS.

Aurora—German-American National Bank; Peter G. Hartz, Vice-Pres., in place of E. W. Trask.

Chicago—American Trust and Savings Bank; W. W. Lampert, Asst. Cashier, in place of F. J. Scheidenhelm.

Evanston—State Bank of Evanston; F. J. Scheidenhelm, Cashier, in place of W. G. Hoag.

Joliet—Will County National Bank; C. H. Talcott, Pres., in place of J. A. Henry; J. W. Folk, Vice-Pres., in place of C. H. Talcott.

Leaf River—Leaf River State Bank; Frank O. Potter, Cashier, in place of Henry S. West.

Lincoln—First National Bank; James T. Hoblit, Pres., in place of Frank Frorer, deceased; Jacob Funk, Vice-Pres., in place of J. T. Hoblit.

Milledgeville—Shumway State Bank; J. F. Greenawalt, Pres., in place of R. G. Shumway; Y. M. Cantrall, Vice-Pres., in place of J. F. Greenawalt.

Port Byron—Port Byron State Bank; B. B. Huntley, Cashier, in place of John Schafer.

South Chicago—South Chicago Savings Bank; E. L. Wagner, Vice-Pres.

Stonington—First National Bank; Cornelius Drake, Pres., in place of O. Z. Housley; J. Irving Owen, Cashier, in place of Cornelius Drake.

Woodstock—American National Bank; C. L. Quinlan, Cashier, in place of W. C. Eichelberger.

INDIANA.

Connersville—Central State Bank; A. E. Barrows, Pres., in place of W. W. McFarlan; E. M. Mechener, Vice-Pres., in place of A. E. Barrows.

IOWA.

Charles City—First National Bank; Wm. Hausberg, Vice-Pres., in place of H. C. Raymond.

Clarinda—Page County State Bank; no Cashier, in place of W. B. Shoemaker.

Creston—Land Credit Bank; J. H. Dunlop, Cashier, in place of H. W. Perrigo.

Fairfield—Iowa State Savings Bank; Jos. Ricksher, Pres., in place of J. E. Roth; O. F. Fryer, Cashier, in place of C. P. Hague; F. E. Speirs, Asst. Cashier, in place of O. F. Fryer.

Dickens—Exchange Bank; C. F. Walsh, Asst. Cashier, in place of C. D. Jones.

Farnhamville—Bank of Farnhamville; W. E. Johnson, Asst. Cashier, in place of A. T. Carlson.

Lamont—Lamont Savings Bank; E. C. Hesner, Cashier.

Lyons—Lyons Savings Bank; Stephen Briggs, Pres., in place of W. T. Joyce.

Macksburg—Macksburg National Bank; L. T. Townsend, Vice-Pres., in place of J. H. Mack, deceased.

Melbourne—Melbourne Savings Bank; J. H. Bagley, Cashier, in place of Walter Canaday.

Monmouth—Monmouth Savings Bank; John Cass, Pres.

Nichols—Nichols Savings Bank; L. B. Smith, Cashier, in place of W. S. Baker; J. M. Hill, Asst. Cashier.

South English—J. F. White & Sons; title changed to White State Bank; W. W. White, Pres.; J. F. White, Vice-Pres.

Washington—Washington National Bank; A. H. Wallace, Pres., in place of W. W. Wells, deceased; W. A. Cook, Vice-Pres., in place of A. H. Wallace; W. F. Wilson, Asst. Cashier, in place of F. H. Smith.

Washington—Farmers and Merchants' State Bank; S. A. White, Pres., in place of Charles Ohngemach; Samuel Thompson, Vice-Pres., in place of D. McLaughlin; R. L. Coulter, Cashier, in place of S. A. White; W. A. White, Asst. Cashier, in place of E. G. Wilson.

KANSAS.

Arkansas City—Home National Bank; Henry Whitson, Pres., in place of C. Q. Chandler; Geo. D. Ormiston, Vice-Pres., in place of A. F. Masterton.

Augusta—First National Bank; J. W. Skaer, Pres., in place of J. H. Butts.

Cherryvale—Peoples National Bank; no Assistant Cashier in place of G. L. Brown.

Elmo—Elmo State Bank; C. E. Rhodes, Cashier, in place of A. S. Percy; Karl Fromm, Assistant Cashier, in place of E. M. Percy.

Havensville—First National Bank; T. J. Poague, Assistant Cashier, in place of Grace Leporin.

Howard—First National Bank; C. F. Plowman, Pres., in place of I. D. Brainard; H. G. Zirn, Cashier, in place of C. F. Plowman; no Assistant Cashier in place of H. G. Zirn.

Kansas City—Banking Trust Co.; W. B. Sutton, Vice-Pres., in place of J. W. Breidenthal; H. W. Bedell, Treasurer, in place of W. W. Cook.

Logan—First National Bank; G. W. Mathews, Vice-Pres., in place of Thomas Dye; A. Newman, Cashier, in place of G. W. Mathews; Pearl Mathews, Asst. Cashier, in place of M. S. Mathews.

Wheaton—Wheaton State Bank; E. W. Andrick, Cashier, in place of R. J. Grover.

KENTUCKY.

Augusta—Augusta-German Bank; capital increased from $15,000 to $25,0000.

Berea—Berea Bank & Trust Co.; J. W. Hern-

don, Vice-Pres., in place of P. Cornelius; J. W. Stephens, Cashier, in place of W. H. Porter. J. F. Dunn, Asst. Cashier, in place of F. M. Livengood.

Hickman—Hickman Bank; John Pyle, Asst. Cashier, in place of S. Amberg.

Louisville—Western National Bank; title changed to Continental National Bank.

Owensboro—Mechanics Bank & Trust Co.; W. F. Hurt, Cashier, in place of B. H. Poindexter.

Winchester—Clark County National Bank; D. B. Hampton, President, in place of S. C. Robinson; S. D. Goff, Vice-Pres., in place of D. B. Hampton.

MAINE.

Calais—Calais Savings Bank; J. Murray Hill, President, in place of Mr. Woods.

Eastport—Frontier National Bank; W. S. Hume, President, in place of E. E. Shead.

York Village—York County National Bank; John Dennett, Vice-Pres., in place of J. C. Stewart.

MASSACHUSETTS.

Boston—State National Bank; A. L. Ripley, President, in place of S. N. Aldrich, deceased.

Edgartown—Edgartown National Bank; no cashier in place of H. L. Winpenny, 2d, deceased.

Quincy—National Mount Wollaston Bank; H. M. Faxon, Vice-Pres.

MICHIGAN.

Dighton—Farmers & Merchants Bank; Carrol Hall, Cashier, in place of A. W. Ladd.

Honor—Benzie County Bank; John W. Cruse, Pres., in place of D. H. Power; W. M. P. Griffiths, Vice-Pres.

Owosso—Owosso Savings Bank; A. E. Hartshorn, Vice-Pres., in place of C. W. Gale.

Rochester—First National Bank; M. H. Haselswerdt, Cashier, in place of C. S. Chapman; Frank D. Shoup, Assistant Cashier.

Ypsilanti—Ypsilanti Savings Bank; A. Ament, Asst. Cashier, in place of G. H. Gaw, Jr.

MINNESOTA.

Duluth—First National Bank; David Williams, Vice-Pres.

Eagle Bend—First State Bank; A. J. Merickel, Vice-Pres., in place of W. W. Boushlough.

Heron Lake—Farmers State Bank; Jerry Sullivan, Pres., in place of John Mathias; O. E. Dilson, Cashier, in place of W. A. Bieter.

Jackson—Brown Nat. Bank; J. W. Cowing, Pres., in place of J. K. Brown, deceased; S. J. Knox, Vice-Pres., in place of J. W. Cowing.

Lake Crystal—First National Bank; James Thomas, Cashier, in place of J. J. McGuire; G. E. Austin, Asst. Cashier, in place of James Thomas; F. C. Pritchard, Asst. Cashier.

Triumph—Triumph State Bank; no Asst. Cashier in place of J. B. Olson.

Verndale—First National Bank; L. D. Frazier, Cashier, in place of G. W. Empey.

MISSOURI.

California—Moniteau National Bank; N. C. Rice, President, in place of R. Q. Roache, deceased; F. A. Rice, Cashier, in place of N. C. Rice; no Asst. Cashier in place of F. A. Rice.

St. Charles—First National Bank; Henry Angert, Pres., in place of Edward Gut, deceased; J. A. Schreiber, Cashier, in place of Henry Angert; no Asst. Cashier, in place of J. A. Schreiber.

NEBRASKA.

Creighton—Creighton National Bank; J. F. Green, Pres., in place of F. P. Berger; S. O. Campbell, Vice-Pres., in place of J. F. Green.

Fullerton—Fullerton National Bank; C. E. Carter, Vice-Pres., in place of W. P. Hatten; W. P. Hatten, Cashier, in place of A. R. Miller; James R. Russell, Asst. Cashier.

NEW JERSEY.

Sea Bright—First National Bank; Geo. M. Davison, Cashier, in place of C. W. Jones.

NEW MEXICO.

Elida—First National Bank; no Cashier, in place of C. H. Sims; G. W. Shepherd, Second Asst. Cashier.

NEW YORK.

Brooklyn—Flatbush Trust Co.; Warren Cruikshank, Vice-Pres., in place of John H. Ditmas.

Carmel—Putnam County National Bank; S. Ryder, Cashier, in place of H. Ryder.

Corona—First National Bank; no Second Vice-President in place of H. S. Johnston.

New York—Colonial Bank; capital increased from $100,000 to $400,000.

Troy—National City Bank; Thomas Vail, Pres., in place of W. H. Van Schoonhoven; Robert Cluett, Vice-Pres., in place of Thomas Vail.

NEVADA.

Carson City—First National Bank; O. W. Tennant, Asst. Cashier.

NORTH DAKOTA.

Dickinson—Merchants National Bank; no Cashier, in place of E. W. Carlock; Geo. A. Senour, Asst. Cashier.

Edgeley—Citizens' State Bank; H. J. Buscher, Cashier, in place of W. D. Oliver.

Kramer—First National Bank; H. Thorson, Pres., in place of H. N. Stabeck; G. E. Broughton, Vice-Pres.; Henry W. Peterson, Cashier, in place of O. T. Newhouse; no Asst. Cashier, in place of G. E. Broughton.

Westhope—First National Bank; J. M. Messner, Cashier, in place of W. J. Cooper.

OHIO.

Bowerston—First National Bank; J. C. Lyons, Asst. Cashier.

Belmont—Belmont National Bank; no Pres., in place of L. Schooley, deceased; J. H. Roscoe, Vice-Pres.

Cincinnati—City Hall Bank; Geo. Schmidt, Pres., in place of H. H. Wiggers; Aug. E. Muth, Vice-Pres., in place of W. F. Doepke.

Chillicothe—Ross County National Bank; C. W. Story, Pres.; John A. Poland, Vice-Pres.; Chas. C. Jack, Asst. Cashier.

Hicksville—First National Bank; Emery Lattanner, Cashier, in place of W. F. Horton.

Stockport—First National Bank; no Pres., in place of J. D. Lane, deceased.

Willshire—Willshire Bank Co.; W. A. Colton, Cashier in place of Alex. Beall; Lucia Stranbengli, Asst. Cashier, in place of W. A. Cotter.

OKLAHOMA.

Boswell—First National Bank; J. E. McCleary, Cashier, in place of V. Bronaugh.

Davis—First National Bank; S. P. Howell, Pres., in place of C. E. Royer, deceased; R. J. Vanderslice, Vice-Pres., in place of S. P. Howell; no Asst. Cashier, in place of Arthur Williams.

Grandfield—Farmers and Merchants Bank; O. E. Myer, Vice-Pres., in place of W. P. Smith; E. M. Kunnell, Asst. Cashier.

Hugo—First National Bank; no Cashier, in place of E. L. Dewitt; Rush Record, Asst. Cashier.

Seminole—First State Bank; T. M. Crump, Pres., in place of S. D. Powell.

Vera—Citizens State Bank; L. W. Mathews, Pres., in place of R. H. Bradley; J. A. Faulk, Vice-Pres., in place of L. W. Mathews.

Wagoner—Wagoner National Bank; J. W. Gibson, Pres., in place of F. C. Sheldon.

PENNSYLVANIA.

Bentleyville—Bentleyville National Bank; W. R. Stephens, Cashier, in place of T. F. Wickerham.

Charleroi—First National Bank; S. A. Walton, Vice-Pres., in place of F. B. Newton.

Ford City—First National Bank; Daniel H. Core, Asst. Cashier.

Fredericksburg—First National Bank; Levi S. Moyer, Vice-Pres., in place of W. M. Glick.

Greensburg—Barclay Trust Co. and Westmoreland Savings and Trust Co. consolidated under title of Barclay-Westmoreland Trust Co.; capital, $400,000; David L. Newill, Pres.; John Barclay, Vice-Pres.; J. K. Barclay, Treas.

Johnstown—Citizens' National Bank; Henry Y. Haws, Pres., in place of Charles Griffith; Harry Swank, Vice-Pres., in place of S. E. Murphy; P. F. McAneny, Cashier, in place of Dwight Roberts.

Lehighton—First National Bank; Henry J. Bretney, Cashier, in place of J. T. Semmel.

Pittsburgh—First National Bank; James S. Kuhn, Pres., in place of F. H. Skelding; W. S. Kuhn, Vice-Pres., in place of Thomas Wightman.

Punxsutawney — Punxsutawney National Bank; S. A. Rumi, Pres., in place of L. W. Robinson; J. A. Weber, Vice-Pres., in place of S. A. Runi.

Waynesburg—American National Bank; Robt. R. Hardesty, Cashier, in place of P. J. Bradley.

West Conshohocken—Peoples National Bank; Edward K. Kline, Cashier, in place of Henry Wells.

Wilkinsburg—Central National Bank; C. S. Marshall, Pres., in place of C. W. Smith.
Wilmerding—East Pittsburgh National Bank; W. L. Hankey, Vice-Pres.; P. W. Morgan, Cashier, in place of C. F. Armstrong; Mr. Morgan continues as First Vice-President

SOUTH CAROLINA.

Batesburg—First National Bank; N. A. Bates, Pres., in place of W. W. Watson; T. B. Kernaghan, Vice-Pres., in place of N. A. Bates.
Calhoun Falls—Bank of Calhoun Falls; W. J. Tucker, Cashier, in place of H. V. G. Cooley.

SOUTH DAKOTA.

Chamberlain—Brule National Bank; S. P. Sierson, Pres., in place of H. R. Dennis.

TENNESSEE.

Clarksville—First National Bank; Frank T. Hodgson, Second Vice-Pres.
Huntland—First National Bank; no Cashier, in place of E. L. Reames; Chas. M. Banks, Asst. Cashier, in place of T. A. Moseley.
Springfield—Springfield National Bank; W. E. Ryan, Vice-Pres., in place of J. Y. Hutchison, deceased.
Tullahoma—Traders National Bank; Sam Shirley Blockman. Pres., in place of F. B. Martin; Abe L. Davidson, Cashier, in place of Erle Martin.

TEXAS.

Alvin—Citizens State Bank; A. C. Abraham, Vice-Pres., in place of J. W. Carlisle; S. B. Brown, Cashier, in place of H. J. Houston.
Bonham—Bonham Bank and Trust Co.; W. O. Siler, Pres.; Chas. E. Foster, Vice-Pres.; A. A. Beasley, Cashier; W. G. Clark, Asst. Cashier.
Bowie—National Bank of Bowie; W. L. Billingsley, Cashier, in place of S. P. Strong.
Caldwell—Caldwell National Bank; T. Kraitchar, Jr., Cashier.
Eagle Pass—Border National Bank; W. W. Collier, Cashier.
Emma—First National Bank; H. L. Long, Cashier, in place of Wright Gunn.
Galveston—Texas Bank and Trust Co.; R. Lee Kempner, Cashier, in place of J. T. McCarthy; A. Kleinecke, Asst. Cashier.
Granbury—Hood County State Bank; John E. Brown, Pres., in place of J. J. Hiner; H. L. Wright, Vice-Pres., in place of H. L. Nutt; J. B. Ross, Cashier.
Klondike—First State Bank; J. M. Clawer, Cashier, in place of J. Frank Potts.
Lockney—First National Bank; C. I. White, Pres., in place of J. S. Baxter.
Marfa—Marfa National Bank; H. M. Fennell, Cashier, in place of A. S. Prescott.
Robert Lee—First National Bank; J. C. Cunningham, Cashier; no Asst. Cashier, in place of J. C. Cunningham.

VIRGINIA.

Monterey—First National Bank; E. A. Wade, Vice-Pres., in place of J. C. Matheny, deceased.

WASHINGTON.

Quincy—First National Bank; H. H. S. Van Velsor, Pres., in place of Thos. Sanderson; R. C. Wightman, Asst. Cashier, in place of John Bauer.

WEST VIRGINIA.

Pennsboro—First National Bank; M. M. Lambert, Pres., in place of Creed Collins; Creed Collins, Vice-Pres., in place of M. M. Lambert; S. W. Collins, Asst. Cashier.
Seattle—Title Trust Co.; W. B. Shoemaker, Cashier, in place of L. W. Lewis.
Sisterville—Farmers and Producers National Bank; W. R. Reitz, Asst. Cashier, in place of J. R. Elliott.

WISCONSIN.

Iron River—Iron River Bank; W. F. McEldowney, Vice-Pres., in place of Mark Hessey.
Oshkosh—National Union Bank; Thomas Daly, Pres., in place of W. K. Rideout; Geo. Bauman, Vice-Pres., in place of R. H. Edwards; no Asst. Cashier, in place of E. A. Severson.
Shawano—German-American National Bank; G. H. Klosterman, Pres., in place of C. R. Steer.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

Aspen—Peoples National Bank; in voluntary liquidation Sept. 31.

IOWA.

Carroll—First National Bank; in charge of Receiver, Oct. 21.
Clutier—First National Bank; in voluntary liquidation Oct. 12.

MASSACHUSETTS.

Boston—E. H. Gay & Co.; in the hands of Receiver, Oct. 21.

MICHIGAN.

Pittsford—Farmers and Merchants Bank; in the hands of a Receiver.

MONTANA.

Laurel—First National Bank; in voluntary liquidation Sept. 12.

NEW YORK.

Hunter—Greene County National Bank; in voluntary liquidation Sept. 18.

OHIO.

Mendon—Mendon Bank; reported closed.
Plymouth—First National Bank; in voluntary liquidation Oct. 1.

OKLAHOMA.

Coalgate—Coalgate National Bank; in voluntary liquidation Sept. 12.
Foss—First National Bank; in voluntary liquidation Sept. 10.
Gage—First National Bank; in voluntary liquidation Oct. 2.
Hastings—National Bank of Hastings; in voluntary liquidation Oct. 1.
Lamont—First National Bank; in voluntary liquidation Aug. 31.
Norman—City National Bank; in voluntary liquidation Oct. 5.

OREGON.

La Grande—Farmers and Traders National Bank; in charge of a Receiver, Oct. 13.

PENNSYLVANIA.

Summerville—Union National Bank; in charge of a Receiver, Oct. 16.

TEXAS.

Center Point—First National Bank; in voluntary liquidation Oct. 13.
Gatesville—Farmers National Bank; in voluntary liquidation Oct. 3.
Karnes City—City National Bank; in voluntary liquidation, Sept. 29.
Lockney—Lockney National Bank; in voluntary liquidation Sept. 16.
New Braunfels—Comal National Bank; in voluntary liquidation Sept. 25.

RESUMED.

MINNESOTA.

Belle Plaine—First National Bank; resumed business Oct. 23.

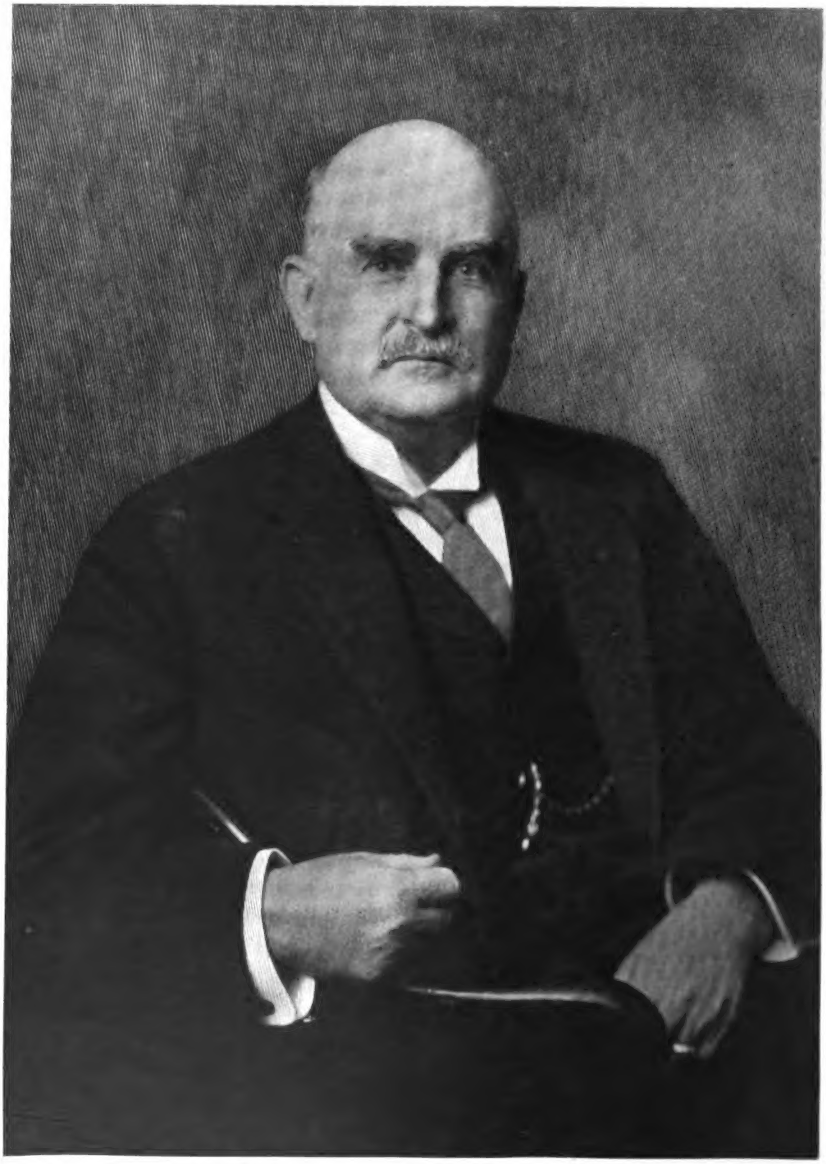
WISCONSIN.

Winneconne—Union Bank; resumed business Sept. 28.

JOHN W. CASTLES

President Guaranty Trust Company of New York

(*See page 925*)



JOHN W. CASTLES
President Guaranty Trust Company of New York.

THE

BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-SECOND YEAR | DECEMBER, 1908 | VOLUME LXXVII, NO. 6

GENUINE AND LASTING PROSPERITY.

THAT the present revival of business is genuine is evidenced in no better way than by the daily reports of the re-employment of laborers heretofore idle. This means that dealers are ordering goods and that the manufacturers find it necessary to increase their forces so as to fill these orders. This increase in manufacturing activity seems to extend to every section of the country, and to embrace all industries. Unless interrupted by some casualty not now in sight, the march of prosperity will soon be in full swing. The banks, which have suffered to no small extent by the late panic and depression, will share in the benefits of this business revival.

Naturally, the question arises as to how long the new cycle of prosperity will continue. Under former conditions it was supposed that the normal duration of such periods was twenty years. As business becomes more highly developed and the tension increased, it may be expected that the length of these periods may be shortened to ten and even to five years.

Perhaps, on the other hand, as the country advances in intelligence, it may be possible to insure a longer run of prosperity and eventually to avoid panics and depressions altogether.

It can not be expected that business will always go on at an equal pace. Periods of great activity will be followed by those of reduced energy; but is it necessary that we should have an era of rapidly augmenting activity culminating in panic and followed by a prolonged period of depression?

In his admirable address of welcome to the bankers at Denver Governor BUCHTEL of Colorado asked whether financial depressions are necessary. In discussing this matter, he said:

"With the business of the nation conducted in absolute integrity and honor, might not the commercial life of the nation go on always like the life of a man in vigorous health who finds in each succeeding day a constant and a growing joy? If we shall ever come to the place where financial depressions are practically unknown, it will be because the bankers of America shall determine to exercise their vast power in eliminating from our commericial life all unsound speculative features. Sound business methods never include any roseate dreams of getting something for nothing."

We do not know whether the banks have quite this supreme power over the country's business. That they exercise tremendous power is obvious, and they may do much to restrain unsound business operations.

There ought to be, as Mr. GILBERT of New York said in an address last summer, some means of slowing down business enterprise and bringing it within safe bounds before the panic stage is reached. But, as he declared, there is at present no brake that can be

applied and we must allow the train to run at full speed until it jumps the track and lands us all in the ditch.

Without pinning our faith to any particular nostrum for curing panics, the American people, with their all too frequent experience of these disasters, ought carefully to examine the defects of their currency and banking system and see to what extent these are chargeable with producing panics or aggravating their ill effects.

Not only these imperfections, but the menace of noisy politicians, in and out of office, must be taken into consideration.

Probably it is going too far to lay upon the bankers the responsibility for the business shortcomings of the entire community, yet the bankers have very important responsibilities in conserving the financial health of the nation, and they can not study them too attentively.

BUNGLING financial operations by the Secretary of the Treasury are not infrequently at the cost of the taxpayers.

Speaking of the payment of the Treasury certificates of indebtedness issued during the October, 1907, crisis, the New York "Evening Post" of November 14 said:

"The arrangement made this week by Secretary CORTELYOU to pay off next Friday the $15,436,500 one-year three per cent. Treasury certificates issued during last November's panic disturbance is a final contribution to the controversy as to whether that operation was warranted, and whether either the banks or the Government got any good out of it. The opinion of the 'Evening Post' then and now has been that it was an unnecessary, costly, and bungling piece of finance. The $100,000,000 note issue was offered for public subscription on November 17. Within eleven days the offering was withdrawn at the request of the banks, as it proved a flat failure. Less than sixty-four per cent. of the issue, or $63,959,500, was applied for.

"The note expedient was defended as being necessary to 'restore confidence,' and to 'bring out hoarded money.' It achieved neither of these ends, since the public was not attracted by a three per cent. security in a ten per cent. money market, and the situation was fast righting itself without Government aid. The real incentive back of the proposal, however, was the intention of those advocating the issue to use the notes as bank reserve money, a practice which, it was said, the Comptroller of the Currency might 'wink at' under the circumstances. Secretary CORTELYOU would not consent to the scheme, however, and with its abandonment the banks that had been most eager for the notes withdrew or cut down their subscriptions, and the lists were peremptorily closed. Had not Secretary CORTELYOU taken the stand that he did, the notes would have passed as cash in the clearing-house exchanges, and the most pernicious inflation would have resulted.

"Only $15,436,500 of the notes were actually issued, and the banks would not have taken these, had the Government not agreed to leave with them three-fourths of the purchase price, as a special deposit, secured by other than United States bond collateral. In other words, a bank that bought $1,000,000 of the notes, retained $750,000 as a Government deposit, or pledging state, municipal, and railroad bonds as security. It then took out $1,000,000 new circulation, using the notes as collateral. On redeeming the issue next Friday, the Government will have to pay $463,095 interest to the banks, covering the three per cent. rate for

one year. The net result of the whole operation has been, therefore, an expenditure of half a million dollars by the Government for interest money on a note issue from which it derived no benefit whatever."

Possibly the issue of certificates may have had some sentimental value, as it indicated that the Government was at least trying in a feeble way to do something to relieve a situation which its own bad financial system had aggravated and had helped to create.

If one-half the expedients resorted to when the 1907 panic was raging had been employed a few weeks earlier, the history of that eventful period might have been far different.

FORESHADOWINGS of the future course of the Monetary Commission were given in a talk made by Senator ALDRICH at a private dinner in New York last month. The Chairman of the Finance Committee of the Senate stated that it would be at least two years before the Commission would be ready to report "a bill which it hoped would give America the most complete and satisfactory banking system in the world." It was also said that the Senator himself favored a great central bank.

No doubt the Monetary Commission will coincide with Senator ALDRICH's view as to a central bank. Such an institution, properly organized and managed, would possess several advantages. But it has always seemed to us that these advantages might be secured in a less objectionable way.

If the banks can safely issue their own circulating notes, why should they not do so instead of being obliged to rediscount their commercial paper with a central bank? This rediscounting means an added cost which the business community must pay.

Furthermore, there is certain to be violent political hostility towards a central bank. Could not this antagonism be obviated by utilizing the clearing-houses in some way that would be less open to the charge of monopoly or of control by great financial interests?

THE BANKERS MAGAZINE has at various times stated its objections to the central bank proposition. But if that can be shown to be practicable and more desirable than any other solution of the currency and banking problem, we should not allow our personal views or any desire for consistency to outweigh the wish to see the country provided with a sound and practicable credit currency.

Many of the ablest bankers and business men of the country are now studying this subject, and we are hopeful that the final outcome will be a law beneficial to every legitimate business interest and to all sections of the country.

WHETHER the country will be content to wait two years for currency and banking legislation, is another matter. We have blundered along with a bad system for nearly half a century, and the country can doubtless survive a delay for this comparatively short time.

Practically all the information that the Monetary Commission has gathered with the expenditure of so much time and labor could have been available for the use of Congress at any time, and it would have been just as easy to have passed a satisfactory bill at the last session of Congress as it will be two years hence.

BUSINESS men are beginning to take a live interest in the subject of currency reform. At a preliminary

conference held at the office of the Merchants' Association in New York on November 18, participated in by representatives of several leading commercial bodies of the United States, it was decided to form a permanent organization of business men to work for banking and currency reform. With this in view a committee of seven was appointed to work out the further details of organization and to invite the co-operation of commercial and civic bodies.

The committee consists of IRVING T. BUSH, New York; FRANCIS T. SIMMONS, Chicago; R. G. RHETT, Charleston, S. C.; HERBERT E. LAW, San Francisco; FINLEY ACKER, Philadelphia; WILLIAM G. BRUCE, Milwaukee, and LYMAN H. TREADWAY, Cleveland.

A movement of this character ought to result in great good in stimulating a study of banking and currency questions and in disseminating sound views. The work of such an organization can hardly fail to command the serious attention of Congress.

POSTAL savings banks will engage the attention of Congress this winter, and if the Republican party carries out its pledges, a law will be passed providing for the establishment of such institutions.

While legislation of this character may be harmless enough, it ought to have been unnecessary. What lies at the bottom of the demand for it? Simply this, that a place shall be provided where anybody may deposit his savings with the assurance of absolute safety.

In most of the Eastern States a system of mutual savings banks exists affording a safety that is practically absolute. This safety is attained by restricting the investments which the savings banks may make, and by other regulations. For several reasons the mutual savings bank system has failed to take root except in the territory mentioned. If the other banks do not offer quite the same degree of safety, it is because the same restrictions have not been thrown around them. In other words, they have been allowed to do a commercial banking business.

In the absence of mutual savings banks the demand for postal savings banks might have been forestalled by the national and State banks had they demanded legislation which would have permitted them to conduct savings bank departments, keeping them entirely separate from the ordinary banking operations, and investing the savings funds in the highest grade of securities. In some of the states, laws of this kind have been passed, but not generally, while in the case of the national banks the law makes no provision whatever for doing a savings bank business, although many of these institutions have savings departments.

Now it is proposed to have the Government establish postal savings banks, and to deposit the funds received in the national banks, requiring the latter to pay interest on such deposits. All that is gained is the safety which the Government can guarantee by exacting security of the national banks.

But could not the national banks themselves on these purely savings deposits have contributed a small tax to a guaranty fund—under wise regulations—paid more than two per cent. interest on the deposits, and still have made a handsome profit?

Since even the Eastern savings banks pay from three to four per cent. dividends to depositors, it can hardly be doubted that in the long run this postal savings scheme will operate to the detriment of the very people whom it is intended to benefit. They will get a lower interest rate on their deposits

than they are entitled to, and the safety derived from yielding up their hoards to the Government might have been obtained in a much less expensive way.

There is one right way to attain safety for savings deposits, namely, to surround the investment of such savings with those safeguards which time and experience have shown to be absolutely necessary. If these precautions are observed, neither postal savings banks nor a guaranty of deposits would be required.

SPECULATION in securities has followed Mr. TAFT's election to the Presidency, which was to have been expected for several reasons. In the first place, it can not be doubted that the return of industrial prosperity would have been halted by the election of Mr. BRYAN, whose untried policies contained enough of uncertainty to arouse at least temporary apprehension in the business world. Possibility of harm to business from this source no longer exists. From the low point of the panic of 1907 it was inevitable that a recovery must soon take place. An increased employment of labor clearly evidences a return to normal conditions.

These influences, combined with good crops, were bound to engender speculation. As Wall Street is shrewd enough to keep a little ahead of the game, it is not surprising that the rise in prices has been greater than present conditions would seem to warrant, although it can not be denied that there were substantial foundations for the rise in prices and for the enlarged volume of trading.

The inelastic money system—and it may be repeated for the information of some few who do not yet seem to realize the fact, that the term "elastic" as applied to the currency implies the power of *contraction* as well as expansion—has fostered this speculation. Hundreds of millions of greenbacks, silver certificates and bond-secured "bank notes" have remained in circulation through a period of dull business and low rates for money, thus tempting to speculation. With a proper money system there would be neither greenbacks nor silver certificates, and the bank notes would be issued upon a basis of gold and commercial paper and subject to a system of redemption that would diminish the volume of currency as business receded.

BUT it is not alone the inelastic currency that promotes speculation. Several of the big banks of New York, with their satellites, are able to exercise a powerful control of the loanable funds in New York and to use them to help out movements to manipulate the prices of securities. Excited by the activity in the market and by the sensational rise of prices, public buying begins on a large scale, and the holders of securities who bought at low prices succeed in disposing of their stocks and bonds at high prices.

We believe that, barring some unforeseeable accident, the country is in for a long run of solid prosperity, perhaps equaling anything ever known. Prices of sound securities should rise. But it will be regrettable if by manipulation prices are pushed up more rapidly than circumstances warrant, only to be followed by a severe reaction that will injure the business interests of the country and retard the return of genuine and lasting prosperity.

CABINET - MAKERS have been busy since the election of Mr. TAFT, constructing a list of those who ought to compose his official household. Probably the newspapers have paid a great deal more attention to making "slates" than has the President-elect himself.

Many considerations enter into the formation of a Presidential cabinet. To begin with, the appointments are made largely on personal grounds. It could hardly be expected that a President would appoint any one to a place in the cabinet who was not entirely agreeable to him from a personal standpoint. Not that he parcels out appointments to intimate friends only; but it is essential for the harmonious working of the Administration that the cabinet be made up of those who are in close sympathy with the President personally as well as politically.

Geographical considerations also must be taken into account. To select all the members of the cabinet or even a majority of them from one section would arouse hostility at once. The claims of the respective divisions of the country must be carefully balanced.

Politics, of course, can not be ignored. The reward of faithful party service is to be expected, and within proper bounds is quite legitimate.

Fitness for the particular office to be filled sometimes has to be subordinated to one or the other of the considerations named above.

THERE is one place within the cabinet circle where, it would seem, fitness ought to be thought of before all else. The Secretaryship of the Treasury is an office of such dignity and power, and bearing so important a relation to the business prosperity of the country, that the appointee to this place, if chosen on any ground save fitness, is apt to endanger the success of an Administration by a resort to unwise fiscal and financial expedients and the unskillful handling of the vast and complicated affairs of the Treasury Department.

In Europe and in some of the Latin-American countries it seems to be more the practice than among us to select the Finance Minister from the ranks of trained experts and economists. We have, of course, had Secretaries of the Treasury worthy to be compared with the great Finance Ministers of other countries — HAMILTON, GALLATIN, McCULLOCH, CHASE, SHERMAN and GAGE, to mention no others. Yet often it has been the reverse of this, and not infrequently the Secretary of the Treasury has been appointed largely because of his party service. And the business interests of the country have more than once suffered serious damage in consequence.

THE next four years will be a more or less critical period in the financial history of the United States. At the last session of Congress an emergency currency law was passed, and a Monetary Commission appointed for the ostensible purpose of gathering information to be used as a basis of further legislation. If a repetition of former mistakes is to be avoided and the perpetuation of wrong principles in our present currency and banking system prevented, the friends of a scientific banking and currency must be alert.

It will be of especial importance at this juncture to have as Secretary of the Treasury a man possessing sound theoretical knowledge of banking and finance and of large experience in dealing with fiscal and monetary problems.

WHILE the Secretary of the Treasury is not, like the British Chancellor of the Exchequer, a member of the House, he nevertheless occupies a position where his acts and opinions exercise a powerful influence in shaping the views of others.

Just ahead of the country there seems to be opening up an era of unexampled prosperity. Gratifying as such an outlook undoubtedly is, it yet contains possibilities of danger that can not be disregarded. We do not pretend to say that our faulty banking and currency systems are wholly responsible for panics and depressions. But they certainly aggravate and intensify their ill effects. And unless we have reform in accordance with sound principles, the disastrous experiences of 1893 and of 1907 will be repeated on a larger scale before the lapse of many years.

BY directing public opinion along safe lines, and by a wise administration of the affairs of the Treasury Department, a Secretary of the Treasury having expert theoretical and practical knowledge of banking and finance could do much to mitigate, if not entirely to prevent, the recurrence of such a disaster.

It would be fortunate for the country if President TAFT should nominate for Secretary of the Treasury one fitted by study and experience to fill the duties of that eminent position. If a selection should be made upon this ground, we do not believe Mr. TAFT could do the country a better service than to send to the Senate for Secretary of the Treasury the name of CHARLES A. CONANT of New York. As we have collated with some care the facts in regard to Mr. CONANT's special knowledge of banking and finance and have presented them elsewhere in this issue of the MAGAZINE, it is unnecessary to repeat them here. It is enough to say that Mr. CONANT's appointment to this high office would be received with satisfaction not only in the United States but in foreign countries, where his reputation is well known.

Mr. TAFT's appointment of a Secretary of the Treasury will be watched with the greatest interest in business circles. The kind of man selected for this place will indicate the probable policy of the new Administration with respect to currency and banking matters. In effecting a transition from the present systems to others better adapted to present needs—a transition which will not be much longer delayed—the new President and the country would be fortunate if the Secretary of the Treasury should be a man whose abilities are commensurate with the problems to be solved, and whose cast of mind would insure that his influence would be exerted in behalf of wise reforms only, and that the administrative details of the Treasury Department would be conducted in a way to inspire confidence and assist in the return of genuine and lasting prosperity.

DURING the late Presidential campaign some interesting facts were presented in regard to the State Bank of Indiana by C. A. KORBLY, JR., Democratic candidate for Congress from the Indianapolis district. Mr. KORBLY was speaking in favor of the guaranty of bank deposits, and referring to the institution above mentioned, he said:

"Mr. SAMUEL MERRILL, a long-time resident of Indianapolis and the first president of the State Bank, and for many years Treasurer of the State of Indiana, in a special report to the Legislature in 1843, said: 'The

branches having no share in each other's profits, and being responsible for their losses, are jealous and sensitive; and appeals are frequently made to me to take immediate steps to suspend any branch from which there is an appearance of danger. This state of things has required such interference with the business of some of the branches as would not have been thought of five years since.'

"Mr. HUGH MCCULLOCH, who was connected with the State Bank and the Bank of the State for more than twenty-five years, and who was the first Comptroller of the Currency and three times Secretary of the Treasury, writing of the State Bank in his 'Men and Measures of Fifty Years,' says: 'In nothing was the wisdom, the practical good sense of the representatives of the people of Indiana in the legislative assembly more strikingly exhibited than in the charter of this bank. In some respects it resembled the charter of the United States Bank; but it contained grants and obligations, privileges and restrictions quite unlike those which were to be found in any other bank charter, and which were admirably adapted to the condition of the State and the circumstances of the people. . . . Each branch although independent in respect to its profits, was liable for the debts of every other branch. This responsibility of the branches for the debts of the respective branches created a general vigilance which was productive of excellent results. No bank could make a wide departure from the line of prudent banking (the other branches being responsible for its debts) without being subjected to a rigid overhauling and incurring the risk of being closed.'

"Mr. HORACE WHITE of the New York Reform Club, in a paper on 'National and State Banks,' characterized the State Bank of Indiana as a 'monumental bank.' 'The earnings and dividends of each branch,' said Mr. WHITE, 'belong to their own shareholders exclusively, but each branch was liable for the debts of every other branch. They were independent of each other in the matter of assets, but were united as to liabilities. This was the admirable keystone of the arch.'"

This experience, successful as it undoubtedly was, by no means makes out a clear case for a general guaranty of bank deposits.

It does, however, show that within a limited area, where one bank has supervisory powers over the banks whose debts are guaranteed, it is possible to work out a practicable plan of insurance. And perhaps this would be true if applied to a number of banks independently organized. For instance, the members of a clearing-house association might unite in responsibility for the debts of individual members, provided the clearing-house had complete supervisory power over each bank unit making up the association.

But as a matter of fact he experience of the State Bank of Indiana and its successor the Bank of the State of Indiana prove very little regarding deposit insurance.

This joint liability applied chiefly to the circulating notes, because the latter far exceeded the deposits. As reported in Knox's "History of Banking in the United States," the deposits and circulation of the State Bank of Indiana were for the years named:

	Individual Deposits.	Circulation.
1835........	$379,543	$1,534,020
1840........	309,248	2,835,902
1845........	359,265	3,667,495
1850........	556,432	3,548,267
1855........	599,177	3,397,251

Nor did the deposits of the Bank of the State of Indiana equal the circula-

tion until the branches began to convert into national banks, as the figures given herewith show.

	Deposits.	Circulation.
1858........	$986,468	$4,502,348
1859........	834,188	4,303,286
1860........	1,186,870	5,753,610
1862........	2,033,795	4,975,332
1864........	2,755,688	1,501,865

From these figures it will be seen that the deposits were much less important than the circulation.

Experience has shown that under proper regulations banks may become jointly responsible for each other's notes. In Canada this is the practical effect of the law, and while the banks there are called upon to contribute to a safety fund to provide for the payment of the notes of insolvent banks, no drafts have ever been made on this fund, the assets of the banks and the double liability of shareholders proving quite sufficient to pay all the notes of banks that have failed.

In Canada the Canadian Bankers' Association has been given supervisory power over the note issues.

While it can hardly be said that the examples cited prove much in regard to the guaranty of bank deposits, they indicate the wisdom of coupling supervisory authority with any responsibilities that may be imposed jointly upon the banks.

INTERNATIONAL difficulties are usually attributable to misunderstandings which might be prevented but for the difference in languages. This barrier to a better understanding between nations was referred to in a recent address by the Chinese Minister to the United States, WU TING-FANG, who said:

"Esperanto has in recent years been offered as an idiom for communication between different nations. I do not know if it would suit our purposes, but I would be glad if it could be adopted and agreed to by all nations as a universal language. It would especially help Asiatic peoples, who now have to learn English, French, German, Italian and so on. I would like to see all nations agree on a language to be used universally.

"Of course I would like to see Chinese adopted universally, for I think our language is the philosophical language, but I do not think there is much chance of it, and so if Esperanto can be agreed upon I should be glad. Life is too short to learn so many foreign languages. If Esperanto is not adopted then I think we must come back to the English language. It is now well known in Asia and in the greater part of Europe, but I would like to see some improvement in the way of spelling and pronunciation.

"I think that if the different nations only understood each other's languages all differences of opinions could easily be settled. China, I know, is not seeking trouble with any other nation. In ninety-nine cases out of a hundred where there has been trouble it has arisen from misunderstanding. If you want perpetual peace I think a common language would be a great factor to that end."

Whether a common language would have as powerful an effect in promoting international peace as is assumed above may be questioned, seeing how frequently long and bitter wars have been fought between those speaking the same tongue.

If a common language would practically prevent wars, however, no time should be lost by statesmen in seeking to have a universal language adopted, if not by all the people of every nation, at least by those charged with gov-

erning and with international business operations.

The appropriations annually expended for naval and military purposes would pay the salaries of an enormous number of professors of languages. To get people to learn a universal language might be easier than to get them to speak it. Nor is it probable that over such a wide area as the earth's surface embraces, and among peoples of such great dissimilarity of surroundings and customs, a language could long be preserved from important modifications.

While the employment of any language universally among all the people of the earth is beyond the range of probability, it might be practicable for statesmen, scholars and business men to agree upon some language to be used as the medium of international communication.

NOW that deposit insurance has been rejected, proposals are being made for commercial note insurance. Some years ago, in discussing the insurance of deposits, this MAGAZINE said that deposits would be safe enough if the loans were insured. The suggestion was true enough, but it was not intended quite so seriously as it was taken in some quarters.

An insurance company, selecting its risks, could doubtless insure deposits or commercial paper with entire safety. A guaranty in either case would imply that the surety company should have access to the books of the bank, and perhaps some degree of supervision, where deposits were insured, and that in issuing commercial paper, a knowledge of the accounting methods and general business standing of the individual, corporation or firm issuing the paper would be essential.

Without entering upon a discussion of the proposal to insure commercial paper, it may be said that the banks would derive advantage if there were a central organization through which some sort of test could be applied to all paper offered to the banks. Where the commercial paper is of local origin a bank can make its own investigation; but it is now becoming a general practice for banks to buy paper issued in various parts of the country. It is not possible in many instances for the banks to know much about the makers of the paper.

Were it possible to have a central bureau to examine commercial paper offered to banks, and to certify that certain fundamentals of safety had been complied with, both the banks and legitimate commercial interests would be benefited.

LACK of adequate safeguards in the banking laws of some of the states may operate to produce a panic or greatly to aggravate its ill effects. Even the generally excellent banking law of New York State, which is often pointed to as a model, was shown by the 1907 panic not to be free from serious defects, and in need of amendments that have since been made. The law itself, in its former shape, was good enough for the conditions existing at the time of its enactment; but with the change in conditions consequent upon the multiplication of institutions, some of them with new methods of doing business, the law became inadequate.

Perhaps it would be going too far to say that the 1907 panic was precipitated by defects in the banking law of the State of New York, yet that here was an element of aggravation may well be believed. The law simply allowed greater latitude in certain re-

spects than was consistent with entire safety.

Without making comparisons, it may be said that the present banking law of New York State, supplemented as it is by efficient supervision, probably approximates the ideal of legislative regulation of banking.

CONSIDERABLE diversity, not only respecting matters of detail, but as to fundamental principles, still exists in the banking laws of the various states.

At the convention of National Association of Supervisors of State Banks, held at St. Paul, Minn., in June last, an interesting report on "Uniform State Banking Laws and Uniform Classification of Reports" was made by a committee composed of Hon. PIERRE JAY, Bank Commissioner of Massachusetts; Hon. MARCUS C. BERGH, Commissioner of Banking, Wisconsin, and Hon. JOHN W. MORRISON, Deputy Commissioner of Banking, Pennsylvania. This report said:

"In preparing their report the committee have examined the banking laws and the bank reports of nearly all the states. They have confined their attention to the laws relating to (1) state banks, (2) trust companies, and (3) savings banks, and have not taken into consideration the laws relating to (1) private banks and bankers, or (2) building and loan associations. The committee have been struck by the dissimilarity between the laws of the various states relating to these three forms of banks. Some states have no trust company law; many have no savings bank law; others have good savings bank laws but no savings banks; in the New England States there are state bank laws but hardly any state banks—in Massachusetts there are none.

"Again, in most states the business of the state banks and trust companies is practically the same except that the latter may also accept business of a fiduciary nature; while in a few states the state banks also have this privilege, their usual corporate title being 'State Bank and Trust Company.' In other states, notably in Wisconsin, the trust companies are confined to a strictly trust business and do little or no banking business.

"Again, the 'mutual' savings banks of the Eastern States have no capital stock and are maintained by trustees for the sole benefit of the depositors. In other states, savings banks have capital stock but take savings deposits only, while in still others the savings banks take both savings and commercial deposits.

"Thus it will be seen that the functions of these three classes of banks are not clearly and distinctly defined throughout the country, but that they are often both in practice, and by sanction of the law, more or less interchangeable.

"The committee have felt that it was neither practical nor desirable for this Association to make recommendations looking to the adoption of a uniform wording of state banking laws, for, in their opinion, the laws of each state should allow such latitude to its banking institutions as the business to be transacted by them may require. On the other hand, the committee consider it proper to recommend the enactment in each state of certain fundamental requirements, which will close as many doors as possible to unsafe practices and unsound banking. They fully recognize that it is as impossible to devise laws which will prevent bank failures as to devise accounting systems which will prevent bank defalcations; but

they believe that just as a proper system of accounting will prevent opportunities for defalcations which a loose system of accounting might encourage, so a law which throws as many restrictions around its banks as may be done without hindering or impeding their scope and growth will not only tend to prevent failures, but will foster sound banking and redound to the advantage of both the banks and the communities in which they exist.

"If these fundamental and general requirements, each of which may be found in the laws of one or more of the states, were enacted in every state, it is the belief of the committee that our state banking laws would attain a standing equal to that of the National Banking Act, and that in some respects they would be superior to it."

This report embodies the true principle to be observed in the regulation of banking in these words:

"A law which throws as many restrictions around banks as may be done without hindering or impeding their scope and growth will not only tend to prevent failures, but will foster sound banking and redound to the advantage of both the banks and the communities in which they exist."

By meeting and making comparisons of the banking laws of the various states, the supervising officers of state banks can discover points of excellence in one banking law and of weakness in another, and suggest to the state legislatures such amendments of the law as may be desirable.

ONE subject that the convention of bank superintendents might profitably consider is that of reserves for state banks and trust companies—not the amount of such reserves merely, but the kind of "money" in which the reserve is kept.

The state banks and most of the trust companies do a commercial banking business; so do the savings banks in many of the states. And wherever a bank engages in the business of discounting paper, placing the proceeds to the credit of the borrower as a "deposit," it is of great importance that the reserve of such an institution should be in gold coin or gold certificates. Otherwise, instead of basing the credit structure upon a solid monetary foundation, it may come to rest upon another form of credit.

An investigation of the state laws would probably show that as a rule but little attention has been paid to this matter. In many cases "cash" of any kind is available for bank and trust company reserves. Yet the safety of our entire credit structure depends to an important extent upon the character of the bank reserves. And the state banks and trust companies now carry on so large a part of the country's banking business that unless their reserves are properly regulated, it will be impossible by the regulation of the reserves of national banks only to impose healthful checks upon the expansion of credits.

This problem is already attracting attention, and should no other remedy be found, it may be made a pretext for endeavoring to bring all banking institutions under Federal regulation. Such action could be forestalled by state enactments providing that banks and trust companies be required to keep their reserves in gold.

WHAT was said in last month's MAGAZINE about the admirable address delivered at the bankers' con-

vention at Denver by Mr. B. E. Walker, president of the Canadian Bank of Commerce, has called forth a letter from a banker who has had extensive experience under both the Canadian and American banking systems, and who evidently believes in the branch system, as the following quotation from the letter shows:

"The only editorial statement made by you from which I dissent is that indicating that you perhaps share in the belief common in the West that the 'local officers and directors of an independent bank are more intensely interested in the development of the community where a bank may be located than a branch manager would be'; and that 'the assumption is apparently confirmed by the comparative development of communities under other similar conditions, the one having the small independent banks and the other the branch system.'

"After a considerable experience in the United States and Canada, lasting over forty years, I believe this statement to be in every respect entirely unsound. I believe (1) that the trained manager of a Canadian bank can and does do more for the borrower in a town where his branch is situated than a local banker; (2) that he is free from bias as to whom he will accommodate and anxious to afford bank accommodation without any consideration other than the wisdom of granting it with the proper profit which should accrue to his bank; (3) that he has it in his power to give to a community which does not possess deposits in proportion to its borrowing requirements the needed capital which his bank has obtained at branches elsewhere, where the borrowing requirements are less than the deposits accumulated. This can only be effected in the United States, if at all, by expensive and clumsy expedients.

"In Canada no one ever hears of the manager of a branch bank accepting a share in the profits of an enterprise, in exchange for the assistance he proposes to give by way of bank loans."

Many bankers in the United States could not accept the above views as a whole. Probably there would be substantial agreement that the branch banking system is superior in point of safety, in the better employment of reserves, and in the adaptability of its machinery to the issue of credit bank notes. But many bankers in this country, perhaps the majority, believe that the close identification of the shareholders, directors and officers with each local bank tends to give the small independent bank an advantage over a branch office, under the direction of a manager, who though a trained banker, is quite often an importation from the distant head office.

If it can be shown that this belief is incorrect it might have an important effect in shaping opinion favorable to branch banking in the United States. We should like to see this point fully discussed, and invite expressions of the views of bankers for publication.

NEW COUNTERFEIT $5.

CHIEF WILKIE, of the secret service, announces that a new counterfeit $5 silver certificate (Indian head) has been discovered. It is a poorly executed note, on a single piece of paper, with surface marks to indicate the fibre. The face is of pale blue tint, which gives the note the appearance of having been badly faded.

The general effect of the note is as if a photographic blue print had been made and then the lines had been gone over with black ink to strengthen them. The only notes of this issue that have thus far appeared have been in Toledo, O. Chief Wilkie says that the counterfeits can be easily detected by any one who inspects money carefully.

DIRECTORS OF NATIONAL BANKS.

Efforts of the Comptroller of the Currency to Require a Stricter Performance of Their Duties.

DIRECTORS of national banks have been aroused to unusual activity as a result of the recent letter addressed to national bank examiners by the Comptroller of the Currency, containing a list of questions to be brought to the attention of directors. These questions were published in the November issue of the MAGAZINE. The information asked for will enable the Comptroller to determine just what attention the directors are giving to the affairs of their institutions.

In some quarters these questions have provoked considerable opposition, on the ground that the Comptroller was making unreasonable demands of the directors. The position of the Comptroller's office is clearly stated in the following letter from Comptroller Murray. It should be said that this was a personal letter, not written with a view to publication. THE BANKERS MAGAZINE has asked and obtained permission to make the communication public:

TREASURY DEPARTMENT,

Office of the Comptroller of the Currency.

WASHINGTON, November 28, 1908.

Mr. Elmer H. Youngman,
Editor, THE BANKERS MAGAZINE,
90 William St., New York, N. Y.

My dear Mr. Youngman:

I thank you very much for the kind expressions in your letter of the 25th instant, relating to the Comptroller's efforts to secure more efficient bank examinations and to require the directors of national banks to perform their duties. I appreciate the support of your magazine in this effort.

Some antagonism has naturally been aroused and my attention has been called to several criticisms. These are based on the limited power of the Comptroller of the Currency to obtain a more thorough supervision, by the directors, of the bank's affairs. While commending the zeal of the Comptroller and admitting the importance of the attempted reform, some have concluded that he is trying to do the impossible and is even assuming an authority which the law does not give him. Some of the critics have been searching the National Bank Act and are dismayed in finding no provision there authorizing the Comptroller to require the directors to do anything. Some of the directors resent what they claim is an attempt of the Comptroller to manage them. One critic, skilled in subtle refinements, concludes that the Comptroller can only supervise the banks and that he is powerless to supervise the directors and the officers. If the contention is correct, about all that is left for the Comptroller to do is to walk into the bank and inspect the books and the building—after the directors, officers and other immunes have departed with the cash.

In these criticisms it seems to me the practical effect of the questions submitted to the directors by the Comptroller, through the national bank examiners, is overlooked. It is unfortunately true, as has often been pointed out by Comptrollers in their reports to Congress, that the National Bank Act

is defective in the remedies provided. The Comptroller can enforce compliance with the provisions of the National Bank Act for the regulation of banking only by an application to the court for a forfeiture of charter, or by closing the doors of the bank. The first remedy is so obviously impracticable that no Comptroller has ever undertaken to apply it; the second is practicable only when the bank is insolvent. Neither is a preventive remedy except as affording a proper basis for threatened action.

By Section 324 of the Revised Statutes of the United States the Comptroller is expressly charged with the execution of the National Bank Act. That act gives him special power, by the aid of examiners, to thoroughly investigate the condition of the banks and their manner of doing business. He is expressly authorized to examine the officers and agents, under oath. Here, at least, his power is ample. One of the most obvious means of obtaining the desired information is to ask questions of those who ought to know something about the business of the bank. The efficacy of the question is not impaired by lack of power to enforce a reply. An unanswered question is not necessarily useless. A letter of criticism from the Comptroller's Office, requesting a reply over the official signatures of the directors, has been found the most potent remedy for correction of abuses authorized or permitted by the directors. Direct questions, put by the examiner to directors, is simply an extension of the one remedy which experience of many years has shown to be most available. These ex post facto letters, however, too frequently regarded as perfunctory by the banks which receive them, have not the force or effect of searching questions propounded by the examiner personally to the directors. A little firing at closer range in the interest of better banking is at least worth the experiment. And this is all that the Comptroller has thus far attempted.

Directors can, indeed, refuse to answer the questions, just as they can and sometimes do refuse to answer letters of criticism from the Comptroller's office, without fear of immediate punishment. They may be deposed at the next annual meeting of shareholders or may furnish by their refusal efficient aid to a shareholder or receiver instituting suit to recover damages for their neglect of duty. The questions submitted by the examiners cannot affect the degree of diligence which the law requires of directors, and are not intended to do so. They can, however, if properly answered, show what interest the directors are taking in the affairs of the bank, and, if delinquent, bring them to a realizing sense of their shortcomings.

The Supreme Court of the United States has said (110 U. S., 15):

> "Directors cannot, in justice to those who deal with the bank, shut their eyes to what is going on around them. It is their duty to use ordinary diligence in ascertaining the condition of its business and to exercise reasonable control and supervision of its officers."

The duty and responsibility of having the affairs of a banking institution well managed are primarily upon the directors. They are elected by the shareholders on account of their experience and ability in business affairs. They are in close contact with the officers and employees of the bank; know their characters as they cannot possibly be known by the examiners; and have facilities for ascertaining the credit of borrowers and the value of collateral not accessible to the most painstaking examiner. The duty of the Comptroller is to know not only what the officers and employees are do-

ing, but what the directors are doing; and there is no better way of finding out than by asking them. There is no conflict between his duty and theirs; nor is he usurping their functions by endeavoring to place upon the records of the office evidence which will enable interested parties to fix more definitely the responsibility if the bank is wrecked by violations of law. The cry that the corporation only can be supervised, but that directors and officers are immune, has been heard before. The Comptroller is not fighting windmills or pursuing shadows, or legal entities; he is trying to accomplish practical results, and he wants to do so with the support of the directors. His purpose is to arouse the directors of badly managed banks, and there are many of them, to a realizing sense of their legal and moral responsibility, for it is a lack of appreciation of this responsibility that is the cause of more bank failures than anything else. No director who is conscientiously performing his duty can possibly be injured by answering questions which will aid the Comptroller in maintaining a more careful supervision of the bank. To the negligent director, or one who is using his office in furtherance of his own illegal schemes, the questions are, quite naturally, objectionable. No good purpose can be served by a criticism of the Comptroller based upon his lack of power to enforce by drastic measures answers to his questions. If not answered by the directors, the questions answer themselves.

For years the country has been demanding better regulation of the banks by more thorough examination by the Government examiners, and a greater degree of responsibility of directors. I am demanding the better examination by the bank examiners, and if they do not do better work, they will be dismissed at once, but I cannot force directors to do their duty, as there is no law giving me the power. The only thing I can do is to ask if the directors are doing their duty at the same time that I am demanding that the examiners do theirs.

Very sincerely yours,
LAWRENCE O. MURRAY,
Comptroller.

PROPHETS AND PROFITS.

TO congratulate the Rev. Robert Collyer, of New York, on his eighty-fifth birthday, twenty members of the Unitarian Club, entertained him Wednesday evening, November 18, at dinner in the Manhattan Hotel. Cyril H. Burdett was in the chair and presented a birthday cake to Mr. Collyer.

Andrew Carnegie was the first speaker, and said: "I am not a Unitarian, but I have long ceased to pay much attention to the divisions of Christianity. I vote for the whole ticket.

"I was born nearer to Dr. Collyer than anyone else here. I sailed from Glasgow in 1848; he came in 1850. That is the only occasion, I think, in which I got ahead of him. He became a teacher of men; I went into business determined to make $600 a year. We both followed the prophets, but I with my well-known preference for simplified spelling, spelt them 'profits.'"

TWO-BILLION DOLLAR CONGRESS.

IN the short space of eighteen years the nation has passed from a billion-dollar to a two-billion-dollar country, according to prognostications sent out from Washington. Of course, the Washington basis of estimate is the volume of money obtained by taxation and disbursed through innumerable agencies. Eighteen years ago a single Congress at its two sessions appropriated a billion dollars, and when the public exclaimed thereat Speaker Reed retorted that this was a billion-dollar country. On that basis of calculation it has now become a two-billion-dollar country.—*Philadelphia "Record."*

CORPORATIONS AS BORROWERS.

By Charles W. Stevenson.

CREDIT, in all its forms is the peculiar study of bankers. Times of readjustment suggest certain basic laws of corporate credit. During the year ending with the late panic there was a remarkable decline in the prices of stocks and bonds, but this bore little proportion to the actual service performed by the industries represented thereby. The banker, standing at the scales of valuation, saw day by day this diminishing quantity and governed himself accordingly. He, of all men, knew at that time, and knows now, that the market price of securities, affected by the trading of speculators, is not the same thing as the intrinsic value of the business over which they are imposed. Now that there is a lull in the struggle, now that the economic readjustment is slowly bringing all things to their proper and average value, the true nature of credit in its relation to corporations may be more easily and effectually understood. What then is credit?

Credit Defined.

The definition is not altogether easy in words. Credit is debt-making power; at the same time it is debt. Credit implies the relation of owing something. It may be that the individual creates this condition or the corporation may do so. Credit is said, first and foremost, to depend on confidence, but this requires a definition. Confidence in what, in whom?

Confidence must rest in some person, in some thing. It is belief, founded on qualities and intents, also on possibilities. Credit is said to be good when it can be given in return for money or for goods. It is good when the party furnishing the goods knows the man will and can pay. Let us ever believe that ability, based it may be on brains, on toil, on property, or what not, is a factor in credit no less important than honesty. The banker in his first study of credit then, must study a man or men. There is no other alternative. Will the man meet his obligations when due? Has the concern vital and inherent power to meet its fixed charges? These are every-day questions with the banker. And their answer compels a wide survey of the business world.

Individual Credit.

Credit on the part of the individual involves therefore a study of individual traits as well as business conditions.

The man wishes to borrow. Is he industrious, is he honest, has he strength to work, has he the brain to plan, has he the means to do that which he expects to accomplish, has he the ability to see himself in the midst of conditions which surround him? What are these conditions? Are they assuring or doubtful? Will any man be able to make the business proposed pay? Will this man? What has he to recommend him personally? What are the individual traits which meet the needs of the business? In a thousand forms the questions recur to the trained mind of the banker. They must be answered satisfactorily or there can be no issuance of the favor desired. He who has nothing in the way of good qualities to pledge for the payment of debt cannot get credit even though he have security to offer, security which is tangible.

The bank does not do business consciously with men who are unworthy. A thief, with United States bonds which are undoubtedly his own, cannot borrow money from a bank. It is against the policy of the institution to do business of any kind with a thief. His deposit is not welcome; his presence is odious. The young man who is trying to get on ought to study the attitude of the banker with reference to loans. It will teach

him many important lessons in the business life. The man who is worthy often may secure credit where the man worth much more cannot. It is the man!

Corporation Credit.

Corporations are composed of men. These men as far as they are known must have right intent and sufficient power to inspire confidence. As a rule eleven men, with ability, intent and honesty, sitting around the directors' table of a corporation, knowing that they perform a duty in behalf of the stockholders, are less to be feared for dishonest practices than one man with his own interest at stake. But as far as the men who manage the corporation is concerned, they must be able and honorable. Yet, while one set of directors may thus engage the attention of the banker, he has no assurance that these men will continue in office. But the debt once created will remain. The loan must be paid not by the directors and stockholders but by the corporation and its earnings. There must be inherent ability in this corporation. Men may even die. It does not.

When it comes to the matter of political corporations another element enters into the calculation. Here there is a debt which is imposed on all the people, but it is for all the people. They issue their own promises to pay and receive in return the public improvements which add to their well-being. Whether it be one generation or another it is the PEOPLE. They are behind the loan. Nothing can be better than this. The repudiation of debt is a thing of the past. Patriotism and love of country will pay all the political-corporate debts of the world. Any other talk is madness. And so we may dismiss this class of corporate indebtedness from our consideration. When the papers are carefully drawn and the laws of the land exactly followed and the proper voice, the voice of the proper majority of the voters, is heard, there is no better security offered to man, for behind it, is not only the honor of the people, but also the power of a government to sustain itself.

Individuality.

Putting aside then the political corporation involving patriotism, pride, community interest, we come again to the personal equation in the corporation, and we note that it cannot rise higher than the average man. There is never an assurance that the highest skill will always manage any single corporation for a continued period. Therefore, in looking at the men who must inevitably minister its affairs we have no right to consider them as more than average men of affairs. Herein lies one of the safeguards of investment; and conversely one of the items by which the confiding public is fleeced.

It is a reprehensible custom sometimes in practice to organize a corporation and place on the board a few conspicuous names in finance for effect. Somehow it is hard to believe that these men would be in a rotten corporation, but the fact is, they are there simply by their own sufferance; if they are of the sharp and scaly kind they may be there because they have been offered a block of stock for the use of their names. But they ought not to be there unless acting in good faith, and giving to the management all the attention that the office demands. This is becoming more and more to be the requirement of men. The day of the exploiter of other men's names is passing. And well and good for all concerned. Honesty is growing all the time in business. Now what may be expected then of the average man? Nothing more than average management. Of course the average man must be a man who knows. The man who is in a business of which he knows nothing, whether as owner or corporate manager, is in the wrong place. He is the enemy of good credit and true stability. He adds an element of uncertainty and doubt. He makes for a condition which leads to panic and unrest. He is not a help to the general good of commercial and financial enterprise. The average man

on the other hand is not a dreamer or speculator.

The Real Basis for Credit.

Credit, then, must be issued on something else. What is it?

It must be based on the value of the plant, the value of the industry. But what is value here? On this depends the complete safety of the banker who must from day to day pass on values.

The political economists tell us there are two values; value in use and value in exchange. Water represents intrinsic value, value in use; the diamond represents value in exchange; it has none practically in use.

In the consideration of the value which is the basis of credit, we must look principally to value in use. This use is governed not by the desire of the individual but by the wants and needs of the people. The value in use cannot exist without a value intrinsic, but the intrinsic value is almost wholly governed by the value in use.

Take the finest plant in the world and it is of no value as a corporate basis for credit while it is locked up and idle. Nor has it a complete value when the machinery turns out the completed product. This product must have a value not alone in itself, agreeable to the materials which compose it and the labor which has gone into it, but according to its ability to supply a well-founded want and need of mankind. Thus the labor of man and the energy of the machine are valued according to their operation in the competition of the world, according as they minister, in the face of a given environment, to the best of the welfare of mankind. Here is the whole question to be decided.

It is not alone earning power, though this is one method of determining value, it is the earning power applied to that which is useful in bringing happiness, comfort and peace, to the men and women of the world, a value affected by the value of all other products of the skill and industry of man. We hear much of the need of inspection and of physical valuation. But this way madness lies if nothing else is to be considered.

It is the character of this need which the industry supplies which goes far toward determining its use. When, as was seen in the late panic, the price of the stock begins to drop in response to the general condition of trade, that which ministers solely to luxury will be the first to feel the effects. In one way this would not seem true since the rich will still have their amusements. But it is true. The luxuries which all the people allow themselves in times of ultra prosperity are the ones which are first curtailed when depression comes. Now this is true of the thoughtful man of wealth. He, like his poorer brother, does not feel able in the face of a paper decline of his wealth to indulge in all the things he did formerly. The needs of life are a determining factor. The corporate stock which stands for an industry, which is indispensable to the daily living of the frugal, thoughtful people is the one which will be least affected by the rise and fall of the market.

The Trained Man Needed.

The banker is fitted by training of all men to determine this value in use. He knows what the exchange value is and the reasons therefore. He knows by what devious means the market price may be manipulated. He knows by what arts the promoter fleeces his unwary victims. And by his estimates he is the main factor in determining value. He places the credit value on the bond or stock in the face of his estimate of its value in use in competition with the whole world. And by the granting or withholding of his favor he may add to or take from the real and true value of the stock in question. The banker thus is a maker of values as well as an appraiser thereof. And here comes in one of the tests of his right action. If in time of inflation he allows the demand to carry him away from conservatism he but paves the way for his own distress and the panic which is sure to come.

It is when failure does come to the industrial corporation that the value of its stock is seen in a true light. The personal equation, in a bankruptcy proceeding disappears. Men do not feel called upon to pay the debts of corporations. The honor of the man who will not go to his death without settling his obligations does not apply to the corporation. The receiver for the purpose of winding up its affairs is he who recognizes that it is a misfit in the business world and that he must first pay the creditors and save what he can for the stockholders. The directors, unless they have laid themselves liable to the law which governs management, are no longer thought of. They are not a part of the corporation. If they are rich men in other lines they are willing to lose what they put into the concern and let it go at that. And this of course is a wise provision of the corporate charter. If it were not that men have immunity from the debts of the corporation capital would not go into these ventures.

It is right that it should be so. It would be not for the interest of the public improvements of trade and commerce if the individual were made individually responsible for the debts of the corporation. But nevertheless this is an element of credit-power and credit-character which the banker is bound to think of. The corporation in the hands of a receiver is worth just what the public demand for its goods and services say it is worth. Ordinary management to meet a reasonable and everyday need, this determines value. And the banker acts accordingly.

Dealing With the Banker.

The corporation, then, is in the thick of great business activity. It is at all times subject to the sharp changes of trade due to invention, competition, and manipulation, and in estimating its value the banker must think of these things and appraise accordingly. He it is who estimates.

He it is who makes a study of general trade conditions and the growing wants and needs of the human race and gauges the value of enterprise accordingly. Under this scrutiny corporations are legitimate borrowers only when there is at least a modicum of value (original capital) placed in the plant by its owners.

Illegitimate borrowing is for promotion and a spectacular equipment. The man who incorporates an untried invention, giving vast figures of profit, not a dollar of which has ever been realized, not even knowing that his invention will be able to perform its part in human service, not knowing whether then it will be able to withstand competition, is asking the public to invest in a dream or a danger. And the banker is the first man to scent this sort of danger because he is in touch with all forms of business and all classes of men.

That the corporation because of its perpetual life is a great aid to civilization needs but the mentioning. Yet because there is always some one in active service, even this artificial person created by law, is no reason that the wildest conclusions of the future should tempt the banker to hazard the hard earnings of his stockholders to say nothing of the peril to his depositors.

Just as there is a future need to meet, so there will always be the corporation to meet it. And the bank very properly, in the interest of the welfare of the people, and for the purpose of aiding its customers, makes loans on corporate stocks. But they are to be first sifted. They are to be tried by the rigid scrutiny of their worth. Nothing that is experimental, nothing that is manipulated or inflated, nothing that is of speculative value should enter into the calculation. Panics are born of loans on inflated values. Yet the bank that aids the corporation with credit at the proper time, in the proper way, is an aid to all the people, because an aid to investment both of capital and labor. Between the corporation doing a public service by its energy, and the bank that aids it and at the same time controls it, there is a close alliance.

THE DOLLAR MARK.

By John Edmonds.

THE origin of this sign has been involved in much obscurity. A number of attempts have been made to explain how it came into use. None of these explanations seem to have cleared up the matter. The principal theories that have been advanced are these:

1. That it is a combination of the initials of United States.

2. That it is a union of the letters P. and S., from the Spanish word pesos.

3. That it is a modification of the figure 8, as the dollar was called a piece of eight.

4. That it is derived from a representation of the Pillars of Hercules, found on some coins.

5. That it is a contraction of H. S., the mark of the Roman money unit. (Am. Hist. rec. 3:227.)

These are all theories only, each one having perhaps a slight probability in its favor, but resting on no firm basis of fact or history.

Whatever resemblance there may be between our dollar mark and some of the characters that have been used before, in this country and elsewhere, it is clear that this mark is of American origin, and that it came into use after the adoption of the Federal currency. Formerly, and for a long time, all accounts in the United States were kept in sterling money. So at the close of the Revolution, the currency in use had become greatly depreciated, and the depreciation was different in different parts of the country. While no mint had been established in this country, the Spanish dollar, with subdivisions, was the coin in general use.

The word dollar is not of American origin. In some form of its orthography it was used for a long time in different part of Europe. As we have it, it is the English equivalent of the German thaler, the unit of the German monetary system. It was in use in England as early as 1553. It occurs at different times in these shapes: dollar, dollor, doler, doldar, dolor.

Difficulties at First.

Much confusion attended the effort to substitute the Federal names for the £., s., d., to which the public had long been accustomed. And the difficulty was vastly increased by the fact that these signs had different values in the different colonies. An illustration of this difficulty and one of the methods of overcoming it is afforded by the practice of the Bank of North America in Philadelphia. The accounts of that bank at its organization were kept in Mexican dollars and ninetieth parts of a dollar. In 1789 it issued notes for sums as small as one-ninetieth part of a dollar. (Lewis Bank of N. Am., 39, 75). The bank adopted this plan for the reason that at that time the dollar in Pennsylvania equalled seven shillings and sixpence, and the penny was the one-ninetieth of a dollar. Up to this time no sign had come into use to designate the dollar.

In 1782 Robert Morris, in compliance with instructions that had been given him, sent to the Congress an extended report on the general subject of coinage. In this report, which was prepared by Gouverneur Morris, he laid it down as "very desirable that money should increase in a decimal ratio, and that the money unit should be such as to agree, without a fraction, with the different values of a dollar that then prevailed in the colonies."

Thomas Jefferson, in 1784, having been appointed one of a committee for the considering of the coinage, made a report in which he examined the report of Mr. Morris, and, while expressing approval of its general principles, he

pointed out serious defects in some of its details. He found by a calculation that the 1-1440th part of a dollar was the measure, without a fraction, of all the currencies then in use in the colonies. And upon this he recommended that the dollar should be the unit of our monetary system, and that its divisions should be in decimal ratio.

Provisions of Congress.

On July 6, 1785, Congress voted that the money unit of the United States be one dollar, and that the smallest coin shall be 1-200th of a dollar, and that the several pieces shall increase in a decimal ratio. (Journals of Congress, 10:156.)

On August 8, 1786, this act was made the basis of further action, and the Congress resolved that the money of account shall proceed in a decimal ratio, and that the coins shall be a half-cent, a cent, a dime, a double dime, a half-dollar, and a dollar. (ib. 11, 129.)

The then mode of expressing money values is shown in the arithmetics that were in use about that time and later. In 1797 there was printed at Lansingboro the American Accomptant, by Chauncey Lee. In some of the money examples in the work the sterling marks are used, and in others the Federal currency is used. He gives a table of the sterling and the colonial currency, and then says these currencies "are giving way to one uniform currency of the Federal money," and then adds this table of Federal money:

10 mills [1]	make 1 cent	II
10 cents	make 1 dime	S
10 dimes	make 1 dollar	$
10 dollars	make 1 eagle	E

In this table it appears that one stroke stands for mills, two strokes for cents, three for dimes, and four for dollars, and that instead of placing the three strokes for dimes side by side, as in the case of cents, he curves the third stroke upon the two for cents, and for dollars he curves the third and fourth strokes upon the first two. These marks occur in this form many times in this book, and always with the same significance. In the examples which the author gives he sometimes places these marks above the amounts as $\overset{\$}{12}$ $\overset{11}{8}$ $\overset{1}{3}$, and sometimes before the amount, $24. and sometimes after it, as, 122$. In some cases he uses the marks and in others the abbreviations, as 4 dollars and 22 cents and 4 mills; and 8d. 17c. 13m. This is clearly the origin of the dollar mark.

As we should expect, Mr. Lee's book had but a limited circulation, and his invention came into use slowly. In an edition of Pike's Arithmetic, issued in 1797, there is an explanation of the Federal currency, with the statement that dollars and cents are coming gradually into use, and there are many examples in which the Federal currency is used; but there is no sign for the dollar. The words dollar, dime, cent and mills are used in these forms,

D d c m Dolls c m
12 2 3 7 60 23 4 9d. 23c. 7m.

The "American Tutor's Assistant," 1813, treats of the Federal money, but does not use the dollar mark. The same is true of Adams's "Scholar's Arithmetic" of 1817. The dollar sign does not appear in Colburn's book of 1828. It is used a few times in an edition of Pike's Arithmetic of 1829. It is used by Colburn in 1837.

ALASKA TIN.

Alaska has already given the geologists unmistakable signs of having large areas containing tin, and in one case particularly tin ore has been found in large quantities, but owing to the inaccessibility of the district, as yet, it has been impossible to exploit the find to any extent. It cost three lives to discover the mine, and the difficulties of the climate prevented any other exploring parties from going there. Tin was first discovered in the Seward Peninsula in 1900 and was known as "stream tin." In 1907, the Government Geological Survey sent its experts to the country and they found that the country had valuable tin deposits which could be worked with commercial profit.

THE SAVINGS BANK AS AN INSTITUTION.

By W. H. Kniffin, Jr.

IF we would seek the nucleus of the savings bank, especially the mutual or trustee type, it will doubtless be found in the "sick and aid" or other friendly societies which have existed for centuries in many parts of Europe. Groups of workmen, in order to provide for the time of need, to insure decent burial, or to properly celebrate Christmas, or other festivals, were wont to form themselves into groups or associations. A small amount in dues was required, and these accumulations, together with the profit arising from social features, balls, etc., provided funds from which a small sick or funeral benefit was paid. The social features doubtless formed as much an attraction as the financial aid, for the weekly assembly provided rest and relaxation and kept the gossip of the neighborhood in proper shape. The organization was usually connected with a church or other religious organization, and even to-day, in the majority of Lutheran and in many Catholic churches, such organizations may still be found. They operate after the fraternal insurance idea and are in most instances productive of much good.

The strike funds of labor organizations, the sick or accident benefits to be found wherever labor is employed, need but the enlargement of the idea in order to become savings banks. Any institution or organization that aims to assist men in providing for the future from the earnings of the present is essentially a savings bank. Building and loan associations, industrial insurance, fraternal orders with insurance features, all have the thrift idea, with more or less expense attached to the membership, while the savings bank is gratuitous, and carries no fines, or lapses—this is its distinguishing characteristic.

As soon as the earning capacity of money became recognized, philanthropic persons devised plans whereby the laboring classes might compel their accumulations to lighten the burden of maintaining themselves and those dependent on their efforts. Savings banks had their origin in those plans, which were in the beginning, wholly philanthropic in their character.*

The Birth of Savings Banks.

The first savings bank is said to have started in Brunswick in 1765, followed by one in Hamburgh in 1778, and others in Germany and France, and one in Berne, Switzerland, in 1787; "intended for and, indeed, restricted to receiving the savings of servants, mechanics and others." The savings banks of Great Britain are said to have originated from a vague suggestion of Daniel Defoe of Robinson Crusoe fame. A century later, one Jeremy Bentham succeeded in enlisting philanthropic interest, but it remained for Joseph Smith, a minister, to open the first "frugality bank" at Wendover in 1797. In conjunction with two of his parishioners he offered to receive from any inhabitant in the parish sums from two pence upward every Sunday evening during the summer months and to re-

* Paine's Banking Laws, p. 50.

pay to each individual at Christmas the amount of his deposit with an addition of one-third the sum as a bounty upon his frugality. If the money was withdrawn before Christmas, no bounty was allowed. *In this practice will be found the forerunner of the rule almost universal in savings bank circles that money must be left until a stated time in order to share the dividends and if withdrawn before, the right to interest is forfeited.*

It is claimed that savings banks received their first literary support in France; their first practical test in Germany, and their first statutory regulation in England.

"There can be no doubt," says Paine's Banking Laws, p. 51, "that the Rev. Henry Duncan, minister at Ruthwell, Dumfriesshire, Scotland, did more than any other man to originate a self-sustaining bank which did not partake of the nature of a charity and was applicable not to one locality, but the whole country."

"We are warranted on the whole to conclude that though some institutions, similar both in their principles and details, had been formed before the Parish Bank at Ruthwell, yet it was the first of its kind which was regularly and minutely organized and brought before the public; and further, that as that society gave the impulse which is fast spreading through the kingdom, it is in all fairness entitled to the appelation of the parent society." London Quarterly Review, Vol. xvi, p. 102.

The savings bank as we have come to understand it, an institution conducted by men of standing in the community, usually without remuneration, for the good of the masses, is scarcely a century old. Prior to 1817, they existed in Great Britain as voluntary associations. Their charter was more nearly that of a sick benefit society, as indicated above. The primary idea of the savings bank has always been that of a semi-charitable institution, and the bank that overlooks this primary idea is departing from the faith "once their own." The desire on the part of many men of philanthropic tendencies to assist the multitudes in their endeavors toward better conditions finds expression in the savings bank. Whatever helps men to better their environment and their habits is to be desired and the thrift habit is worthy of all encouragement. In the early days of the mutual or trustee bank, the attending officer frequently got no pay for his work. The bank was open at stated times and the one man acted as janitor and builded the fires, swept the office, received deposits and was the "whole bank." To this day in many of the States the trustees are not allowed to receive pay for their work unless they give part or all of their time to the bank.

The First American Savings Banks.

The first American savings bank was organized in Philadelphia in 1816, under the title "The Philadelphia Savings Fund Society" and was incorporated by the Legislature in February, 1819. This institution is still in prosperous condition and has an honored history. Closely following was "The Provident Institution for Savings in the Town of Boston," incorporated in December 13, 1816. New York was quick to follow with the "Bank for Savings," in 1819, now located at 280 Fourth avenue, with $87,000,000 in deposits, representing 160,000 accounts.

The first savings bank account in the United States was opened by the Philadelphia Savings Fund Society and was as follows:*

Office of the Philadelphia Savings Fund Society.

No. 1.
Curtis Roberts.
Residence 308 Chestnut St., Philadelphia.
Reference Condy Raguet.

		Dr.	Cr.
1816			
Dec. 2	By cash		5.
1817			
Apr. 2	" "		5.
1818			
Jan. 1	By interest		.40
			$10.40

* Bankers Magazine Vol. 72, p. 296.

1819		
Jan. 1	By interest	.48
Mch. 31	" "	.12
		$11.00

Apr. 1 To Phil. Sav. Fund Soc. $11.00

The first meeting in New York for the purpose of establishing a savings bank was held in the assembly room of the City Hotel in New York City, Friday evening, Nov. 29, 1816, when it was resolved "That it is expedient to establish a savings bank for the City of New York." In the memorial to the Legislature, applying for a charter for this bank, it was stated "That ***** and others, have formed an establishment in the said city *for the purpose of receiving on deposit such sums of money from persons belonging to the laboring classes of the community, as they are able to save from their earnings and allow them interest thereon.*"

After repeated efforts, the bill failed to pass and the committee adopted different tactics. Instead of applying for a bill for a savings bank, they endeavored to secure the same object under a different name and applied for an act of incorporation for the relief and permanent benefit of the working classes and it proved the entering wedge for a savings bank. Governor Clinton was quick to see the necessity for such an institution, and in his message (1818) said: "While we must consider as worthy of all praise and patronage religious and moral societies, Sunday, free and charity schools, houses of industry and orphan asylums *and savings banks.*"

As stated above, the year 1819 saw the first savings bank chartered in New York State and the "Bank for Savings in the City of New York" came into being. It commenced business July 3, 1819, in the basement of a building on Chambers street, and the first report to the Legislature in 1820 covered a period of six months and showed deposits of $150,000 from 1527 depositors. Of these, 840 were mechanics, laborers, tradesmen and domestics, 287 were boys, 276 girls, 98 widows and 20 orphans, 15 apprentices and 24 unclassified. *Committees of three from the Board of Trustees were appointed to serve in rotation, attending at the bank during business hours for one month to receive deposits, to see that entries were properly made and to make inquiries as to the situation of the depositors and to ask such questions as might promote the welfare of either the individuals or the institution.* By this means the whole of the board of trustees have become familiar with the depositors and thoroughly acquainted with the methods of transacting business of the bank and with the conduct of its affairs. "This practice still obtains"*

Article VI of the by-laws of this bank still call for this service as follows:—

VI.—One member of the Board, each in his turn, for one week, or in his absence another member of the Board shall attend at the Bank daily, during such parts of the day as he may judge proper. He shall be denominated the Attending Committee, and shall have the general superintendence and control of the Bank superior to all officers during the week of his service. He shall have the power to close the account or to refuse the deposits of any person.

Since 1885, when the office of president was made a salaried position the services of the attending committee have grown to be perfunctory, *but they have not been dispensed with.*

In order to call attention to the fact that the savings bank was then, as now, regarded as a philanthropic institution, the preamble from the legislative act creating the Bank for Savings, will prove of interest:

"As the Society for the Prevention of Pauperism in the City of New York has petitioned the Legislature for an act of incorporation for the laudable purpose of encouraging in the country habits of thrift and industry and econ-

* Condensed from Paine's History of Banks in New York.

omy, by receiving and vesting in Government securities, etc., etc., such small sums as may be saved from the earnings of tradesmen, mechanics, laborers, minors, servants *and others*, thereby affording the twofold advantage of security and interest, and the Legislature considering it their duty to cherish all laudable attempts to ameliorate the conditions of the poor and laboring classes of the country, therefore Be It Enacted, etc."

Such was the idea of the savings bank a century ago. Such is the fundamental idea today. It is essentially the bank of the poor man. Almost in every State, the laws limit the amount of the deposits in one name, generally under $5,000, as if to discourage the rich. Many banks pay higher rates of interest on small sums—to encourage the small deposits. While it is true that many have become imbued with the "spirit of commercialism," yet the fundamental idea is as true and as fresh as ever. The wage earner's account is much to be preferred to that of the man of wealth. It will stay longer—*and grow!* When he gets enough to buy him a home, he may withdraw his fund but will begin over again. The large account, that comes in "big"—will go out the same way, and many savings bank men do not favor them.

From ten banks in 1820 to fourteen hundred and fifteen in 1907 is a long jump. From 8,000 depositors in 1820 to 8,500,000 in 1907 is a still greater achievement; while a growth from a trifle over a million in deposits to *three and three-quarter billion* is no small feat. In 1820 the average deposit was but $131.86, while in 1907 it was $429.64, and the *per capita* deposit increased from but *twelve cents* to *$42.87*.

While thus growing by leaps and and filling no small place in the economics of the nation, as we have seen omics of the nation, as we have seen in the preceding paper, the savings banks as a whole are still permeated with the same spirit and conducted with the same lofty principles that animated the founders a century ago. Take the statement of any bank in New York State, for instance, and thereon will be found the clause, taken, it may be from the preamble above quoted, to the effect that "savings banks are institutions created for the purpose of encouraging industry and habits of saving on the part of the masses." They still emphasize the value of the dollar saved. They will still take the earnings of "tradesmen, mechanics, laborers, minors, servants and *others*." The various schemes for attracting money, such as savings clubs, school savings banks, home banks, small deposits, evening opening etc., etc., are all in keeping with the spirit of the preamble. Probably no single factor in finance has had more to do with the up-building of the country, the sustaining of public credit, the assisting of home-seekers and "empire builders" than the savings bank. The houses of the rich are covered with poor men's mortgages; *railroads and public improvements are due largely to the savings of "tradesmen, laborers, servants, and others."*

There are several forms, or varieties of savings institutions and we shall endeavor to note the distinguishing characteristics of the most prominent. Of these, there are the trustee or mutual savings bank; the stock savings bank; the co-operative, and the municipal or State savings bank. The postal savings bank is embodied in the municipal; the railway, army and navy, penny provident, etc., are friendly societies and will not be commented upon at this time. Only two are common to the United States: the mutual and the stock, the others are to be found largely in Europe. The postal savings bank is in operation in every prominent country of importance save Germany, Switzerland and the United States. It is a *system* and not a single organization, and will be treated by itself in due course.

Co-Operative Savings Banks.

The co-operative savings bank is to all intents and purposes a building and loan association. The shares are subscribed for, to be paid in weekly, or monthly installments. The funds are generally loaned to the members, either on real or personal security. The shares are large or small, as suits the class of membership. They originated in Germany and may be found in Belgium, Italy, and Russia. Hamilton in *Savings and Savings Institutions* says: "The organization is intended to protect the bank against losses, as well as the borrowers from their own thriftlessness. To this end loans are made of short duration, usually three months; frequent renewals being designed to remind borrowers of the need of keeping a clean record with the bank. The village bank is apt to be a quasi-public institution. The mayor of the village is usually a patron and the village corporation may be among the depositors. The village curé generally takes an active interest in it and sometimes opens the church for the fortnightly meetings. Mr. Wolff draws the following very sympathetic picture of their workings: Members do not come merely to bring their savings; they want to hear something of what is going on. They are entitled to see the balance sheet. which is drawn up every fortnight at the close of the meeting and hung up in the public room of the municipio. After the receipt of the savings, come the considerations for loans. As a rule, there is a *vacca,* or the *vitelle,* or the *maile* to be bought. Sometimes in the place of a cow, or a calf, there will be a goat. Or else, the village wheelwright will want to buy wood, the shoemaker leather, and so on. Every case meets with careful consideration. Is the applicant trustworthy? Is his case good? Is the sum a legitimate one? Is the proposed repayment excessive? Are the sureties good? It may happen that the loan is refused, though such cases are rare. It may happen that the amount is reduced, or the period is curtailed. According as the committee decide, the applicant is advised, and then he may come with his sureties to receive the money from the cashier, in exchange for his bill of exchange." To quote further: "There are a number of reasons why the co-operative savings bank as a distinct institution does not seem adapted to America. Here the small class of tradesmen does not abound. Our institutions do not so much shade down into the little room with a handful of goods and a custom not sufficient to employ the time of one person, but which, with the aid of an alarm bell announcing each arrival can be served by the wife or daughter without interfering with the household duties. *** The average farmer has all the credit he ought to have, and until he has exhausted that, he has but little need of the co-operative bank. In the first place, he enjoys a personal credit, so long as his land is unencumbered, which gives him credit sufficient at the commercial bank. If he desires to purchase land, he may look to the regular savings bank, or the co-operative building and loan association."

Co-operative buying, or selling, has never met with much success in this country. Every man has become possessed with too much independence to let others run his business and he prefers to go it alone. Socialistic colonies of dreamers, full of visions, have failed to produce much effect on general conditions. The co-operative colonies of the Salvation Army and other like organizations are only possible when backed by strong organizations. Sometimes a number of individuals will associate themselves together for the purpose of buying home sites, paying part of the purchase price, and collectively becoming responsible for the balance. They form an organization to this end and when payment is completed each member receives his tract of land, free of debt. It is modeled after the co-operative farm bank of Germany, and the members are generally of German extraction.

Municipal Savings Banks.

The argument for the municipal savings bank is the same as for the school, the hospital, or the library. To educate the people into habits of thrift is as much a part of municipal duties as to provide education in other lines. To help them acquire homes is as commendable as to provide them with parks and clean streets. The reflex benefits to the community in such education, and the better living conditions thus engendered are too apparent to need comment. That which makes a man a better husband and father makes him a better citizen. Anything that instils into him the thrift habit is a public benefit. When he begins to save his money, and especially for home purposes, he will not only cut off bad habits, but form good ones that will benefit him morally, physically and socially. If it be the mission and the duty of the municipality to educate and nurse and protect, it is essentially the duty, argues the municipal savings bank, to do these other things also. It would seem to be logical. It certainly works well in those places where it has been established. These institutions, like the trustee institution, require gratuitous services. They are generally managed by and deposits are guaranteed by the municipality. Private schools and private hospitals cater to the select classes; private savings banks may have the same tendency, but the municipal, *public in every sense of the word,* would bid for the patronage of all classes. The same is true of the postal savings bank. Hamilton, in the work quoted above says they are the outgrowth of the municipal pawn shop, to be found in various parts of Europe. The best examples may be found in Germany, although they exist in Austria, France, Italy, Denmark, Sweden and Japan.

The typical organization of the municipal savings bank consists of a central bank with as many sub-stations as may be necessary, similar in substance to the general post office with its branches. This feature places the bank, *not where it will pay,* but *where it is most needed,* and frequently in the midst of factories and tenements. Berlin has seventy-five such branches. The postal savings bank has the advantage in having a "walking bank" in the shape of every postman, and to meet this idea, the city of Frankfort-on-the-Rhine has adopted a system of collections—a messenger going from house to house, or from factory to factory.

The central office of the Berlin bank is an interesting place during office hours. It is of imposing and beautiful exterior, and is centrally located on the island of Spree. The second floor is occupied by administrative offices and the first floor by the offices for deposit accounts. These offices present the appearance of an aggregation of banks rather than a single institution. A series of seven or eight deposit places, one following the other, and each bearing a number, and each equipped with a complete complement of bookkeepers and tellers, are grouped about a large room. In spite of the numerous sub-stations, there is always a crush at the central station at the opening hour, and the newcomer might be bewildered were it not for the excellent administrative organization. The stranger is ushered to one of the departments, which thereafter he will seek at once. Thus the crowd breaks up into as many groups as there are departments in the office. All rush and confusion in these little groups is avoided by a system of numbered checks. One is given to each patron in the order of his coming, which preserves his place in lieu of standing in line, and he may await the calling of his number in a comfortable chair. All the writing is done by clerks, no deposit slips or withdrawal orders being required. Mistakes and embarrassments on the part of the depositors are thus avoided. This provision, while intended for the convenience of the poorer classes is open to criticism, in that it exposes the accounts to the danger of loss by the theft or losing of the books. The money

is paid upon verbal request of the holder of the book, which is thus rendered as tempting to the dishonest as cash. The only protection is the provision that not more than 100 marks may be withdrawn in a single month without special authority.

Consul Robert J. Thompson of Hanover reports that the Municipal Savings Banks of Germany have 19,000,000 depositors, with $3,213,000,000 to their credit. These deposits are absolutely guaranteed by the municipalities, which fact forms a bulwark of confidence in the security thus afforded, and this cannot be shaken by hard times, failures, etc. The municipality or city stands good for the deposits, with the taxing power as protection, which places these deposits on the same basis as a government or municipal bond. With one exception, where a city savings bank was looted by the director, the defalcation being at once made good by a special tax, I have failed to elicit any information regarding bankruptcy or failure of any of these institutions in Germany. BANKERS MAGAZINE for June, 1908.

The Kingdom of Prussia offers a most excellent example of the municipal idea, where the system has been long in use and is thoroughly understood. For more than a decade no new or novel features have been introduced as bidding for patronage and the growth must stand for permanent strength. The following table, from the work* mentioned above, will show the results in this connection without further comment.

A scheme bordering closely upon a lottery has been tried in Germany, where each patron according to his deposit becomes entitled to share the profits. This caters to the gambling instinct, while a simple interest proposition would not appeal. It is not to be recommended. The extraordinary success of the municipal system in reaching the people may be seen from the fact that in 1890 in Germany there was a savings account for 21 out of every hundred people. The City of Bremen has one for every 1.4, and the Kingdom of Saxony one for every 2.1. The rate of interest is about the same as obtains in many parts of the United States, 4 per cent.

MUNICIPAL SAVINGS BANKS IN PRUSSIA, BY PROVINCES. (1899)

Province.	No. of Banks.	No. of Books.	Deposits in Marks.	Ratio to each 100 of Population.
East Prussia	43	208,697	99,284,695	10.20
West Prussia	40	196,504	193,813,275	12.73
City of Berlin	2	685,264	254,657,845	38.99
Brandenburg	197	911,753	430,509,253	29.89
Pomerania	75	395,894	262,004,814	24.47
Posen	78	188,806	99,412,215	9.98
Schleswig	166	1,112,398	484,711,492	24.34
Saxony	135	1,091,391	590,762,570	39.04
Schleswig-Holstein	281	548,086	535,388,158	40.87
Hanover	179	865,347	685,874,472	34.08
Westphalia	176	680,594	895,229,631	23.27
Hessen-Nassau	83	464,531	260,272,943	25.35
Rhenish-Prussia	207	1,076,991	859,224,999	19.84
Hohenzollern	1	23,187	15,773,789	25.29
Total for the Kingdom of Prussia	1,663	8,449,443	5,666,920,056	25.29

STOCK SAVINGS BANKS.

The stock savings bank is similar to the mutual or trustee, except that it has capital stock. In many of the States the savings bank of the trustee

* Hamilton's "Savings and Savings Institutions," p. 269.

Table Showing the Growth of Savings Banks in the United States from the Year 1820 to Date, with other information. (Compiled from the report of the Comptroller of the Currency for 1907.)

Year.	No. Banks.	Number Depositors.	Deposits	Av. Amt. due each Depositor.	Average Per Capita.
1820	10	8,635	$1,138,576	$131.86	$0.12
1825	15	16,931	2,537,082	149.84	
1830	36	38,035	6,973,304	183.09	.54
1835	52	60,058	10,613,726	176.72	
1840	61	78,701	14,051,520	178.54	.82
1845	70	145,206	24,506,677	168.77	
1850	108	251,354	43,431,130	172.78	1.87
1855	215	431,602	84,290,076	195.29	
1860	278	693,870	149,277,504	215.13	4.75
1865	317	980,844	242,619,382	247.35	
1870	517	1,630,846	549,874,358	337.17	14.26
1875	771	2,359,864	924,037,304	391.56	
1880	629	2,335,582	819,106,973	350.71	16.33
1885	646	3,071,495	1,095,172,147	356.56	
1890	921	4,258,893	1,524,844,506	358.03	24.35
1895	1,017	4,875,519	1,810,597,023	371.36	25.88
1900	1,002	6,107,083	2,449,547,885	401.10	31.78
1905	1,237	7,696,229	3,261,236,119	423.74	39.17
1907	1,415	8,588,811	3,690,078,945	429.64	42.87

type is unknown, and in its place we find the stock concern, usually doing a commercial business as well as receiving savings deposits. The matter of investments varies widely according to the locality, some being closely regulated, and others having no restrictions whatever. The stock savings bank may be found principally in the West and South, where conditions do not seem ripe for the mutual bank. Iowa has 571, Missouri 58, Pacific States 131, North Carolina 22, South Carolina 31 and Illinois 31. Aside from the investments, and the usual commercial business, the principal difference between the stock and the mutual is the fact that the stockholders share the earnings after the depositors have been provided for, while in the mutual there are no stockholders, all profits going to the depositors, or held as a surplus fund for their benefit and protection. The Comptroller's report for 1907 gives the number of these reporting as 737, with $440,122,765 deposits, belonging to 911,674 depositors. *It is not the ideal saving bank,* but better than none.

Mutual Savings Banks.

The ideal savings institution would seem to be the trustee savings bank, such as is to be found largely in the East. New York has 138; Massachusetts has 189 (the largest number for any one State); Connecticut, 88; Vermont, 48; New Hampshire, 55; Maine, 51. Only 25 are to be found outside of the Eastern States; of which West Virginia boasts 1, Ohio 3, Indiana 5, Wisconsin 2, and Minnesota 14. The 689 institutions of this class reporting to the Comptroller held $3,055,287,322 in deposits, belonging to 7,071,219 people.

The organization of these institutions will be noted in detail under the subject of laws and the steps necessary to establish a bank depends upon the locality. A typical instance will be the subject of a subsequent paper. In its essence, it is a group of men associated together for the purpose of conducting a bank for savings, where such sums as may be offered will be accepted on deposit, invested according to the law of the State, and repaid with interest upon demand, or after such notice as may be deemed desirable to protect the depositors. The investments generally consist in Government bonds, obligations of States, cities, towns, school districts, counties and other municipalities; railroad bonds and stocks, bank

stocks, personal loans, secured by collateral and otherwise, and in some States, commercial paper. Mortgages on real estate form a prominent part in the investments of these institutions, and are perhaps the principal asset.

The trustees are generally forbidden to borrow directly or indirectly any of the bank's funds, or become surety for loans. They serve without pay, except in instances where part or all of the time is given to the bank, as above noted, when they are allowed remuneration for their services. In some States the salaries are graded by law, according to the amount of deposits. The trustees are a self-perpetuating body and hold office for life, except in a very few instances. The number runs from five upward. There is no capital stock, yet in spite of the widespread popularity of these institutions, this fact never seems to become commonly understood. Frequently we find people inquiring as to the amount of the capital stock, or the market value of the same.

A close and careful study of the laws of all the states regulating the savings banks develops the fact that New York state has, without doubt, the most conservative and in every respect the most admirable system of laws in this respect to be found anywhere. Closely restricted in their investments to the highest grade of securities, mortgages restricted to 60 per cent. of the value, personal loans forbidden, and all speculation impossible, with adequate supervision and thorough examination and reports, they are without doubt as good as savings banks can well be made. The New England States as a whole have most excellent systems, yet in their investments, they allow a broader field than does New York; and yet to say they are inferior would be unfair and untrue. Massachusetts closely follows New York, but does not draw the investment line as sharply as does her sister State.

The appended table showing the growth of savings banks in the United States, will afford complete data concerning these institutions.

For thickly populated sections, the mutual or trustee type is the ideal savings bank, and in such conditions it has and always will flourish. In newly settled territories, where the density of population will not support a mutual organization, the stock savings bank meets every demand; in country districts, and those remote from centers of trade, the banking-by-mail idea is admirably adapted, especially where the Rural Free Delivery operates. The only need for the Postal Savings Bank in this country is found in sparsely settled sections without banking facilities, but this need can be met and is being met by the mail banking, operated successfully in many sections. All of these systems will receive attention in due time.

SAVINGS BANKS IN PENNSYLVANIA.

THE Commissioner of Banking for Pennsylvania has called attention to errors in the table of Savings Banks in the United States published in the October number of this magazine. Savings banks in Pennsylvania are examined twice each year and make two reports, instead of a yearly report and an examination once in two years, as stated. The statement "Savings banks in Pennsylvania are both stock and mutual, usually stock," was due to the fact that a large number of banks of discount and deposit used the word "savings" in their title. According to the Comptroller's report for 1907, there are but 13 mutual savings banks in the State. The bank department has recognized that the use of the word "savings" by a bank of discount is misleading, and for some years past has refused to grant charters to any such bank using the word "savings" in its title.

PRACTICAL BANKING

Conducted by James P. Gardner.

STOPPING THE LEAKS.

ECONOMY is the order of the day, and in no place is this more true than in the management of a bank. An institution employing a large staff of men saves a considerable sum by close attention to care in the use of pads, pens, lead pencils, etc., of which in many banks there is prodigal waste. Perhaps in the saving of one article in particular, writing ink, this best can be shown. A careful test has demonstrated that from one uncovered inkstand, of the usual size, one ounce of ink will evaporate every ten days, and when this inkstand is cleaned to be refilled, probably as much is thrown away.

At the same rate during a year this loss due to evaporation will be seventy-three ounces, or practically ink to the value of $1.37 for each inkstand so exposed. This saving in but one of the departments of stationery indicates the possibility of an intelligent economy which covers all the utilities, postage stamps, telephone calls, and suggests to the wide-awake banker one of the methods of stopping the leaks. Perhaps some day, as do our foreign friends, we shall find ourselves charging our customers for services now unanimously acknowledged to be free.

UNIFORMITY IN CHECKS.

THOSE who are familiar with British banking magazines cannot fail to have noticed lately the agitation in behalf of uniformity in the size of checks drawn in Great Britain. Bankers here are not troubled to the same degree as are our friends abroad in this particular, where on some of their "great" checks a story of the life of the firm is sometimes given, with copious illustrations, rendering the not unimportant fact as to which bank the check is drawn on rather obscure, but there is still some opportunity of improvement in this direction with us in spite of the continuous presentation of the matter in banking journals to which undoubtedly is due the great improvement in this particular, but we still have a few checks that come to our notice in which the design of the printer seems to call attention to everything rather than to its legitimate purpose.

TWO CENTS AN OUNCE TO GREAT BRITAIN.

IT is now generally known that the mail rate since October first to the British Isles is two cents an ounce. Undoubtedly it will be some time before a knowledge of this fact permeates all conditions of society. If past experience is any sure guide in the matter there will be a great increase in the number of letters, a fact that the Post-Master of New York City confidently expects. The reduction in postage is a matter of treaty arrangement confined to Great Britain and the United States.

BANKING BY MAIL AGAIN.

NOW that the question of the Post Office Savings Banks, for the moment at least, is inoperative, country bankers should appreciate fully the great possibilities of banking by mail. This feature of banking has not been

overlooked in the past, as several handsome statements will testify, and yet a very large untouched field remains.

It is no longer considered to be undignified to advertise, and it is in this direction that the great possibilities lie. Let banks in rural communities get in touch with every man, woman and child that may be regarded in the light of a possible depositor and by a steady, persistent campaign of education point out the benefits of forwarding by mail such moneys as may be received from time to time.

TAKING ONE'S WORK SERIOUSLY.

ALL practical banking is not confined to pointing out the desirability of new designs in ledgers nor improved method of management.

The successful artist is perhaps no better characterized than in the fact that he takes his work seriously, and the banker in his high calling could no better follow such admirable leadership than in seriously considering how best he may adapt his methods of administration to the constantly changing conditions that confront him.

Normal Development.

There are certain laws of growth a violation of which in the realm of nature brings disaster. In banking the same parallel holds true. A proper development of a bank depends on a healthy vigorous growth rather than upon the forced measures we often see. A bank's evolution must rest upon natural growth rather than upon an unhealthy forced development.

Printed Instructions.

So accustomed does the eye become to that which it is accustomed to see that very often it takes for granted certain printed instructions as of little importance, and gradually to ignore them as if lacking the personal touch, while written instructions would arrest the attention. So very often because written forms so loudly and so repeatedly call attention to their demands they pass unheeded. But this is the day of the printing press, and from the nature of things most of the routine forms of the bank must be printed, for that reason they call for as much care in perusal.

ACKNOWLEDGEMENTS.

AN excellent form is shown below to secure an acknowledgement of remittances sent for the credit of another account. When received filled in, the bank sending the remittance knows definitely that their instructions have been carried out.

Northington National Bank,
Northfield, New Jersey,
November 1, 1908.
Continental National Bank,
Sirs:
Your letter of 29th enclosing draft on New York for $1,000 has been received, and, as directed, we have today placed that amount to the credit of First National Bank,
Glen Ridge, New Jersey,
Tony Brook,
Cashier.

Please use this card in acknowledging receipt of remittance.

NEW GOLD COINS.

THE mints at Philadelphia, San Francisco and Denver began November 5 the coinage of a new $5 gold piece, struck on a different plan from any heretofore coined in the world. It follows an idea expressed to President Roosevelt by Dr. William Sturgis Bigelow of Boston, that to permit the coins being piled to a uniform height a high or strong relief might be obtained by depressing the design below the field or face of the coin, instead of raising it above, as usual in all coinage operations. This would provide a flat field and a uniform thickness, the flat surface taking the wear and protecting the relief, the shape of the depression following the outline of the relief. The same design will be used on the two-and-a-half dollar pieces, and all will bear the "In God We Trust" motto.

While never applied to coins, the countersigning relief is one of the oldest forms of sculpture in stone.

BANKING AND COMMERCIAL LAW

Conducted by John J. Crawford, Esq.,
Author Uniform Negotiable Instruments Act.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States courts and State courts of last resort will be found in the Magazine's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NEGOTIABLE INSTRUMENTS LAW—BILL OF EXCHANGE—ACCEPTANCE — CONSIDERATION.

NATIONAL PARK BANK vs. SAITTA.

SUPREME COURT OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT, JULY 8, 1908.

The provision of the Negotiable Instruments Law which provides that the holder of a bill of exchange has the right to present the bill for acceptance, and if acceptance be refused, treat the bill as dishonored, is not confined to sight bills, but is applicable to all bills of exchange.

Though a bill payable at a fixed time after its date need not be presented for acceptance in order to change the drawer and indorsers, yet the holder for his own protection may present it for acceptance at any time.

Where one becomes a *bona fide* holder for value of a bill before its acceptance, it is not essential to his right to enforce it against a subsequent acceptor that an additional consideration should proceed from him to the drawee.

THIS was an action by the National Park Bank against Philip S. Saitta as acceptor of a bill of exchange. The defendant admitted the making of the bill, its delivery to and discount by the plaintiff for value, its presentation to him before maturity and acceptance by him; but set up as a defense the want of consideration for his acceptance.

CLARKE, *J.* (Omitting part of the opinion):

The final point to be considered is the defense of failure of consideration. The negotiable instruments law (chapter 612, p. 727, of the Laws of 1897) provides, in section 50:

> Every negotiable instrument is deemed prima facie to have been issued for a valuable consideration and every person whose signature appears thereon to have become a party thereto for value.

When this defendant accepted this bill, he therefore was presumed to have accepted it for a valuable consideration.

Section 221 provides:

> That the holder of a bill, presenting the same for acceptance, may require that the acceptance be written on the bill, and if such request is refused may treat the bill as dishonored.

This provision is not confined to sight bills, but seems to be applicable to all bills of exchange. Consequently, if the bank in Genoa had presented the bill to the defendant for acceptance, although the date of payment was fixed, and the drawee had refused to accept it, the plaintiff would have

been entitled to treat the bill as dishonored, and would have acquired the immediate right to call on the other parties to the bill.

Section 246 of the act provides:

A bill is dishonored by nonacceptance when it is duly presented for acceptance, and such an acceptance as is prescribed by this act is refused or cannot be obtained.

Section 247:

Where a bill is duly presented for acceptance and is not accepted within the prescribed time, the person presenting it must treat the bill as dishonored by nonacceptance or he loses the right of recourse against the drawer and indorsers.

Section 248:

When a bill is dishonored by nonacceptance, an immediate right of recourse against the drawers and indorsers accrues to the holder, and no presentment for payment is necessary.

Although, when such a bill is made payable at a day certain at a fixed time after its date, presentment for acceptance before that time is not necessary in order to charge the drawer or indorsers, it is to the owner's interest that the bill should be so accepted, as only by accepting it does the drawee become bound to pay it, and until such acceptance the owner has for his debtor only the drawer, and the step is one which a prudent man of business, ordinarily careful of his own interests, would take for his protection. (Allen vs. Suydam, 17 Wend. 368.)

A bill payable at a fixed period from its date may be presented for acceptance at any time. (Bachellor vs. Priest, 12 Pick [Mass.] 399; Oxford Bank vs. Davis, 4 Cush. [Mass.] 188.)

It is settled that as between remote parties to a bill of exchange, as the payee or indorsee and the acceptor, in order to sustain the defense of no consideration, two considerations at least must come in question: First, that which the defendant received for his liability; and, secondly, that which the plaintiff gave for his title.

An action between remote parties will not fail unless there be absence or failure of both of these considerations. It is immaterial when an acceptance is made. It may be made at any time, and the rights of payees and the indorsees are the same after it is made, whether they were acquired in anticipation of it or subsequent to it. Where, as in the case at bar, there is an acceptance upon the bill, it makes no difference in the rights of the payees or indorsees whether they became so before or after the acceptance. The instrument is negotiable before acceptance, and the acceptance is an acknowledgement of the debt it represents and absolute promise to pay it to the person who is or shall become the holder of the bill; and to allow a want of consideration for the acceptance to defeat the right of a bona fide holder, whether he became such before or after the acceptance, would be contrary to the nature and purpose of bills of exchange and to the uniform usage in regard to them. (Arpin vs. Ownes, 140 Mass. 144, 3 N. E. 25; Daniels on Negotiable Instruments [5th Ed.] 174a.)

In Heuertematte et al. vs. Morris, 101 N. Y. 63, the action was brought upon defendant's acceptance upon a bill of exchange drawn upon him at 90 days. Defendant offered to show that the acceptance was made without consideration and was induced by fraudulent representations on the part of the drawer. This was objected to and excluded. Ruger, C. J., said:

If a party becomes a bona fide holder for value of a bill before its acceptance, it is not essential to his right to enforce it against a subsequent acceptor that an additional consideration should proceed from him to the drawee. The bill itself implies a representation by the drawer that the drawee is already in receipt of funds to pay, and his contract is that the drawee shall accept and pay according to the terms of the draft. * * * By such acceptance the drawee admits the truth of the representation, and, having obtained a suspension of the holder's remedies against the drawer and an extension of credit by his admission, is not afterward at liberty to controvert the fact as against a bona fide holder for value of the bill. The payment to the drawer of the purchase price furnishes a good consideration for the acceptance, which he then undertakes shall be made, and its subsequent performance by the drawee is only the fulfillment of the contract which the drawer represents he is authorized by the drawee to make. The rule that it is not competent for an acceptor to allege as a defense to an action on a bill that it was done without consideration or for accommodation, as against a bona fide holder for value of such paper, flows logically from the conclusive force given to his admission of funds and is elementary.

As it is conceded that the plaintiff was the *bona fide* holder for value of

the bill in question, the foregoing statutory provisions and authorities conclusively establish that the defendant failed in his defense of want of consideration flowing to him for his acceptance.

As we have discovered no error in this record which requires interference with the judgment, the judgment and order appealed from should be affirmed, with costs to the respondent. All concur.

BILL OF EXCHANGE PAYABLE TO ORDER OF THE DRAWER —NECESSITY FOR DELIVERY.

STONFFER vs. CURTIS.

SUPREME JUDICIAL COURT OF MASSACHUSETTS, MAY 20, 1908.

A paper purporting to be bill of exchange payable to the order of the drawee does not come into existence as a bill until it is delivered as well as indorsed by the payee.

THIS is an action against the acceptor of two bills of exchange payable to the Lyons-Taylor Company, the drawer. They purported to be indorsed: "Lyons-Taylor Co., by M. H. Taylor." The delivery of the bills was specially denied by the answer.

The only evidence introduced by the plaintiff was the bills which were annexed to the deposition of M. H. Taylor, and that deposition. Mr. Taylor testified that he had authority to sign the name of the firm on negotiable paper, "that he had in his possession the bills of exchange declared upon," and "that he annexed the bills of exchange with the indorsements thereon to his deposition."

Loring, *J.* (omitting part of the opinion):

1. Counsel for the plaintiff in their brief state that the two bills of exchange had been sent by the plaintiff to Mr. Taylor in order that he might annex them to his deposition. But that is just what was lacking in the plaintiff's evidence. All the evidence introduced by the plaintiff on the issue of delivery was that Mr. Taylor, who acted in the matter for the firm, who drew the bills and was the payee of them, had them in his possession when he gave his deposition. So far as the evidence went, therefore, they never were delivered. On the evidence the jury should have been directed to return a verdict for the defendant for want of evidence of delivery. An instrument in the form of a bill of exchange payable to the order of the drawer does not come into existence as a bill of exchange until it is delivered as well as indorsed by the payee. (Rev. Laws, c. 73, § 33; Com. vs. Dalkinger, 118 Mass. 439; Adams Bank vs. Jones, 16 Pick. 574; Prescott vs. Brinsley, 6 Cush. 233.)

SAVINGS BANK—PAYMENT ON FORGED ORDER.

HOUGH AVENUE SAVINGS & BANKING COMPANY vs. ANDERSON.

SUPREME COURT OF OHIO, JUNE 26, 1908.

By-laws of a savings bank, which require the presentation of the deposit book, or due notice to the bank in case of the loss of the book, as conditions precedent to payment to the depositor, or upon his written order, are reasonable conditions and become a part of the contract between the bank and the depositor, when brought to the notice of the latter.

When in such case the bank makes payment on presentation of the deposit book or pass book, not to the depositor in person, but upon what purports to be a written order by him and which turns out to be a forgery, the bank is at least bound to act in good faith and to exercise reasonable care with the view to avoid payment to a person who is not lawfully entitled to receive payment; and, if in such case it does not so act in good faith and exercise reasonable care, it will be liable to pay again to the rightful owner of the deposit.

(Syllabus by the Court.)

THIS was an action to recover the amount of a savings bank deposit. Upon the trial the bank requested the court to charge the jury that

the bank had the right upon the presentation of the deposit book to pay the money and upon the payment by the bank on the presentation of the deposit book it was discharged from the amount so paid; and, further, that as the testimony showed that the depositor did not notify the bank that his book had been stolen or lost, if the bank paid the money on the presentation of the book, it would be a discharge to the bank. The court refused to so charge, but did charge that if the jury found from the evidence that the bank did not exercise reasonable care in making such payment, and they also found that the alleged written order which was presented with the pass book was forged, they should find for the plaintiff, which the jury accordingly did, and judgment was rendered for the plaintiff. It appeared on the trial that at the time the depositor made his first deposit he signed a deposit card by which he agreed and assented to the rules and regulations of the bank governing saving deposits, and that among those rules, which were printed in the pass book, was the following: "(5) Deposits may be withdrawn by the depositor in person, or by written order; but in either case this pass book must be presented, that such payments may be duly entered therein. As the officers of the company may be unable to identify every depositor, the company will not be responsible for loss sustained where a depositor has not given notice of his or her book being stolen or lost, if such book be paid, in whole or in part, on presentation. In all cases, a payment upon presentation of a deposit book shall be a discharge to the company for the amount so paid." After he made his last deposit, which was in July, 1903, he did not again go to the bank until July, 1904, during which interval he kept his bank book in his trunk, and did not see it after October, 1903. One Christensin, who resided in the neighborhood of the bank, and was known to the paying teller and who had cashed checks at the bank which had proved to be good, in October, 1903, appeared at the bank with a written order which transferred Anderson's account to him, and this order purported to be witnessed by one A. M. Crowl, and it appears to have been a forgery.

Davis, *J:* The plaintiff in error contends that, under the contract between the parties in this case, it cannot be held liable where payment was made upon presentation of the pass book; and that, if this contention is wrong, the testimony in this case is not such as to charge it with negligence.

These questions are new in this State, although they have been the subject of frequent adjudication in other States. These adjudications have uniformly held, where that question was involved, that by-laws of a savings bank requiring the presentation of the pass book and notice to the bank in case of the loss of the book, as conditions precedent to payment, are reasonable, and, when brought to the notice of the depositor, become a part of the contract between the bank and the depositor. But, notwithstanding the contract relations of the parties, it has been quite as uniformly held, and it does not appear to be controverted here, that the bank is bound to exercise good faith and reasonable care in making payment so that payment shall be made to the person entitled to receive payment; and this is so because public policy will not allow the bank to so strip itself of responsibility by contract as to enable it to safely pay, intentionally or heedlessly, to one who has come into possession of the pass book fraudulently or criminally. In this case the fact of negligence by the bank was submitted to and found by the jury; and we think properly so. The pass book was not presented by the depositor, but by another person, by virtue of what purported to be the depositor's written order. The teller of the bank who paid the money testified that he was not acquainted with the defendant in error, the depositor; that, so far as he knew, the latter had never been in the bank, except on the two occasions

when he made deposits; that he was not familiar with his signature; and that he did not compare the signature to the order with the genuine signature in possession of the bank. His only excuse for not scrutinizing the order and comparing the signatures is that he knew the man who presented the order and pass book, and that he had before cashed checks for him which had turned out to be good. This evidence was of itself sufficient to justify the court in submitting to the jury the question of good faith and reasonable care on part of the bank, and therefore the finding of the jury was conclusive upon that point and supports the judgment. (Chase vs. Waterbury S. Bank, 77 Conn. 295.)

The plaintiff in error insists that since the by-law required the depositor to give notice that his pass book had been stolen or lost, and provided that the bank should not be responsible in default of such notice, and that "in all cases a payment upon presentation of a deposit book shall be a discharge to the company for the amount so paid," and since the defendant in error did not give notice of his loss prior to the payment, the bank is therefore discharged. Upon the assumption that the bank acted in good faith and in the exercise of due care, this argument may be valid, otherwise it is not sound. If the bank may negligently or through bad motives pay to a thief who has possession of the bank book, because the owner has not given notice of a loss of which he is not then aware and of which he does not become aware for months afterwards, or if the bank may so pay in any case to a person who is not lawfully entitled to receive payment, then the depositor has contracted away his right to protection in any case and the responsibility of the bank for good faith and reasonable care, which the law has imposed for reasons of public policy, is entirely futile. Under the by-law which is the contract in this case, "payment upon presentation of a deposit book could only be made to the depositor in person or to some person designated by his written order." It was not paid to him in person nor to any person designated by him. It was paid upon a forged order; and, if not paid by the bank at its own peril (Ladd vs. Augusta Savings Bank, 96 Me. 510), it was at least, as found by the jury, negligently paid to a person who had no right to the deposit. The authorities cited by counsel for plaintiff in error are not applicable to the present case, because all of them, as we read them, are cases in which the bank was not negligent; and one of them, Schoenwald vs. Metropolitan Savings Bank, 57 N. Y. 418, has been distinguished several times, and so limited to the facts of that case that it cannot be regarded as of much value as an authority. (Allen vs. Williamsburg Savings Bank, 69 N. Y. 314; Smith vs. Brooklyn Savings Bank, 101 N. Y. 58; Kummel vs. Germania Savings Bank, 127 N. Y. 488.)

The judgment is affirmed.

NOTE HELD AS COLLATERAL—CONSIDERATION — SUBSTITUTION FOR OTHER COLLATERAL.

MOSS vs. CHAMBERLAIN.

SUPREME COURT OF IOWA, JULY 9, 1908.

Where a promissory note is delivered to a bank by way of substitution for other collateral which is surrendered at the time the bank becomes a holder for value.

THIS was an action for the conversion of certain promissory notes, which had been used unlawfully by an agent of the defendants, and delivered as collateral security to the plaintiffs who were doing business as the Bank of Denison.

McCLAIN, *J.* (omitting part of the opinion): In determining whether the Bank of Denison became a holder for value, it is not necessary to consider the conflict in authorities as to whether a transfer as security for a pre-existing debt constitutes the transferee a holder for value, for the evidence

shows that the notes were delivered to the Bank of Denison by way of substitution for other collateral which was surrendered in the same transaction; and, beyond question, a transferee who thus takes collateral by way of substitution for other collateral surrendered becomes a holder for valuable consideration. (Park Bank vs. Watson, 42 N. Y. 490; Greenwell vs. Heydon. 78 Ky. 332; Cherry vs. Frost, 7 Lea [Tenn.] 1; Sawyer vs. Turpin, 91 U. S. 114; 1 Daniel's Negotiable Instruments, § 827.) Since the adoption in this State of the negotiable instruments act (Act 29th Gen. Assem. [Laws 1902, p. 86] c. 130), there is no question, however, as to a holder who takes by way of security for pre-existing indebtedness being a holder for value. By section 52 of that act (Code Supp. 1907, § 3060a52) a holder in due course must be a holder "for value," and the term "value" means valuable consideration (section 191), and by section 25 it is declared that "an antecedent or pre-existing debt constitutes value." In no view of the case, therefore, can the Bank of Denison be said not to have been a holder for value.

FORGED CHECK—FICTITIOUS PAYEE.

TRUST COMPANY OF AMERICA vs. HAMILTON BANK.

SUPREME COURT OF NEW YORK, APPELLATE DIVISION, FIRST DEPARTMENT, JULY 8, 1908.

A bank which pays or accepts a check to which the drawer's name has been forged, can neither repudiate the acceptance nor recover the money paid, since it is bound to know the drawer's signature.

Where the person drawing a check does not intend that it shall reach the person named as payee, the paper is to be treated as payable to the order of a fictitious payee, and therefore payable to bearer, even though the name used be that of an existing person.

This was the former New York rule, and is now the rule under the Negotiable Instruments Law.

This rule applies even though the person who draws the check forges the name of some other person as drawer.

McLAUGHLIN, *J.:* This is a controversy submitted to the court upon an agreed statement of facts under section 1279 of the Code of Civil Procedure. The controversy relates to four checks for $500 each, drawn upon the plaintiff, a trust company doing a banking business and signed: "Estate of Kate M. Wallace. Arthur B. Wallace, Adm'r." At the time the checks were presented to the plaintiff for payment, the estate of Kate M. Wallace was one of its depositors, having to its credit an amount in excess of all the checks, which could be drawn out on checks signed by Arthur B. Wallace, administrator, when countersigned by the United States Fidelity & Guaranty Company. The Wallace estate had then been practically settled, and the amount on deposit was ready for distribution among the next of kin of the decedent. The four checks in question were drawn without the knowledge or authority of the administrator, his signature being forged, and in each there was inserted as payee the name of some one of the next of kin whose distributable share of the amount on deposit with the plaintiff was greater than the amount of the check or checks thus apparently payable to such person. The first check was dated September 25, 1905, and was presented on that day to the United States Fidelity & Guaranty Company by a person unnamed, without the knowledge of plaintiff or defendant. The United States Fidelity & Guaranty Company, relying upon the apparent genuineness of the check, countersigned the same, and it was then, by some person unknown, presented to the plaintiff for acceptance and by it accepted, in writing. The name of the payee was then forged upon the back of the check as first indorser, and it was subsequently deposited with the defendant, by one M. F. Kerby, one of its depositors, who was given credit for the same. It then bore the following additional indorsements: "Harvey J. Conkey, M. F.

Kerby, A. Edward Fisher. Thereafter, the defendant, through the New York Clearing-House, presented the check to the plaintiff for payment, guaranteeing the indorsements, and it, relying upon the genuineness of the check, with the guarantee of the defendant thereon, not knowing that the indorsement of the payee was forged, paid the same in good faith. Substantially the same facts are true in regard to the second check, which was dated in November, 1905. The other two checks, dated in December, 1905, and January, 1906, were not presented to plaintiff for acceptance before payment and were deposited with defendant by Harvey J. Conkey, one of its depositors, to the credit of his account; otherwise, the same course was pursued with regard to them. They were indorsed "Harvey J. Conkey" below the forged indorsement of the payee.

Upon discovering the forgeries, the plaintiff at once notified the defendant, tendered back the checks, and demanded repayment. In the meantime both Kerby and Conkey had withdrawn the proceeds of the checks, and the defendant, relying on plaintiff's acceptance and payment of them, had paid out the same in good faith. The defendant has refused to repay plaintiff the amount of the checks, or any of them, and the question presented is whether plaintiff is entitled thereto.

The general rule is that payments made under a mistake of fact may be recovered, although negligently made; but it is also settled that, if the drawee of a bill of exchange to which the drawer's name has been forged accepts or pays the same, he can neither repudiate the acceptance nor recover the money paid, since he is bound to know the drawer's signature. (Price vs. Neal, 3 Burrows, 1354; Bank of United States vs. Bank of Georgia, 10 Wheat. [U. S.] 333; National Park Bank, vs. Ninth National Bank, 46 N. Y. 77; Goddard vs. The Merchants' Bank, 4 N. Y. 147.) It is also settled that, where the indorsement of the payee of a bill of exchange has been forged, subsequent holders obtain no title to it, and payments made to one who holds under such forged indorsements may be recovered. (Corn Exchange Bank vs. Nassau Bank, 91 N. Y. 74; Holt vs. Ross, 54 N. Y. 472; Canal Bank vs. Bank of Albany, 1 Hill, 287.)

Therefore, if all the indorsements on the checks in question had been genuine, the plaintiff could not recover; but if the maker's signatures had been genuine, and only the indorsements or any of them forged, it could recover. Having paid the checks, the plaintiff cannot now be heard to say that the maker's signatures are not genuine, or recover on the ground that the same were forged, and by reason of that fact it is suggested that the rights of the parties are precisely the same as though the drawer's signatures were genuine, and since the defendant never obtained good title to them, on account of the forged indorsements of the payees, the plaintiff is entitled to recover. There are authorities to support this contention. (First Nat. Bank vs. Northwestern Bank, 152 Ill. 296; McCall vs. Croning, 3 La. Ann. 409.) But it does not necessarily follow, because the checks were not indorsed by the persons whose names appeared on them as payees, that the defendant, which received them in good faith and paid value therefor, can be compelled to repay their amounts to the plaintiff.

A leading authority on the subject is Bank of England vs. Vagliano Bros., L. R. 1891 App. Cas. 107, which reversed Vagliano vs. Bank of England, 23 Q. B. D. 243, and 22 Q. B. D. 103. This authority has been frequently cited and is directly in point. There, Vagliano Bros. were foreign bankers doing a large business in various parts of the world. One of their clerks, Glyka, forged a large number of bills of exchange purporting to be drawn on the firm by one of its foreign correspondents, payable to another well-known firm. He also forged letters of advice to accompany them and caused them to be presented, the same as gen-

uine bills, to Vagliano Bros. in the regular course of business. Vagliano Bros., deceived by the cleverness of the forgeries, accepted from time to time bills aggregating over $350,000, which they directed the Bank of England, their general banker, to pay when presented. After bills had been accepted, Glyka would obtain possession of them, indorse thereon the name of the payee, and collect the money from the bank, which charged the amounts so paid to the account of Vagliano Bros. The latter, on discovering the forgeries, sued the bank to recover the amounts so paid out on the forged bills. The House of Lords held, reversing the decisions of the lower courts, that this amount could not be recovered. The decision is placed upon the ground that "since Glyka, although he inserted in the forged bills as payee the name of a well-known firm, knew that such firm had no interest in the bills and never intended that it should, the payee was fictitious," and under the statute providing that "where the payee is a fictitious or non-existing person the bill may be treated as payable to bearer" (Bills of Exchange Act 1882, § 7, subsec. 3), the bills of exchange were, in legal effect, payable to bearer, and the bank obtained good title, regardless of the indorsements.

Some doubt was expressed in the Bank of England Case as to whether the statute warranted such construction, since the effect was to make the fictitiousness of the payee depend upon the maker's intention; but under our own statute no such question can be raised. The Negotiable Instruments Law provides (Laws 1897, p. 724, c. 612, § 28):

> The instrument is payable to bearer: * * * (3) When it is payable to the order of a fictitious or nonexisting person, and such fact was known to the person making it so payable.

The correctness of the decision in First National Bank vs. Northwestern Bank, supra, may well be questioned, since the decision of the lower court, which was reversed by the House of Lords, in the Bank of England Case, was cited at length and relied upon. Whether this be so or not, the decisions in our own state are entirely in harmony with the views expressed by the House of Lords. Thus, in Coggill vs. American Exchange Bank, 1 N. Y. 113, a partner drew a bill of exchange in the name of the partnership, payable to one Truman Billings and forged thereon the indorsement of the latter. The bill subsequently came into the hands of the defendant bank, and the plaintiff, upon whom it was drawn, accepted and paid it. It was held that the plaintiff, on discovering the forgery, could not recover the amount paid from the defendant, since the bill was in effect payable to bearer, and defendant had good title. Mr. Justice Bronson, who delivered the opinion of the court, distinguished the case of Canal Bank vs. Bank of Albany, supra, and said:

> As the payee had no interest, and it was not intended that he should ever become a party to the transaction, he may be regarded, in relation to this matter, as a nonentity; and it is fully settled that when a man draws and puts into circulation a bill which is payable to a fictitious person, the holder may declare and recover upon it as a bill payable to bearer. * * * In legal effect, though not in form, the bill is payable to bearer. * * * The plaintiff probably accepted and paid the bill under the mistaken assumption that the indorsement was genuine; but he was not mistaken about the main fact which he was concerned to know, which was that the holder was the owner of the bill.

And in Phillips vs. Mercantile National Bank, 140 N. Y. 556, the cashier of the National Bank of Sumter, S. C., drew checks in the name of the bank, inserting as payees the names of customers of the bank, whose indorsements he forged. The checks thus drawn were sent to various firms in New York and consequently came into the hands of the defendant, which received them in good faith and charged them to the account of the Sumter Bank. The receiver of the Sumter Bank thereafter brought an action to recover the amount of these checks, and it was held that the same could not be maintained, since

in legal effect the payees were fictitious and the checks payable to bearer, and for that reason the defendant obtained good title. The court, Mr. Justice Gray delivering the opinion, said:

> The names he used were, for his purposes, fictitious, because he never intended that the paper should reach the persons whose names were upon them. The transaction was one solely for the fraudulent purpose of appropriating his bank's moneys, by a trick which his position enabled him to perform. Concededly, if the names of the payees were of fictitious persons, the Sumter Bank would have had no claim upon the defendant. How, then, can the transaction be said to assume a different aspect because the names adopted were of known persons? That the intention was to treat them as being of fictitious persons is manifest. * * * The fictitiousness of the maker's direction to pay does not depend upon the identification of the name of the payee with some existent person, but upon the intention underlying the act of the maker in inserting the name.

Under the negotiable instruments law and the cases cited, I am of the opinion the checks in question, as between plaintiff and defendant, were payable to bearer. It does not appear who forged the maker's signatures, but the subsequent history of the checks does not leave it open to doubt that the person who did so knew that the parties whose names were used as payees would never have any interest in the instruments. Just as in the Bank of England and the Phillips Cases, in order to accomplish the fraud more easily, the names inserted as payees were those of persons to whom checks might naturally be made. Whether indorsing the names of the payees upon the checks was technically forgery or not it is unnecessary to consider. It has been convenient to thus describe them. Despite these forged indorsements, then, the defendant acquired good title, since in legal effect the checks were payable to bearer. Plaintiff, having paid them to a holder in due course, cannot recover upon the ground that the payees' signatures were forged.

Nor is this view at all in conflict with Shipman vs. Bank of State of New York, 126 N. Y. 318. There, the plaintiffs' firm signed a large number of checks relying on the false statements of an employee; the names of the payees being in some instances fictitious and in others the names of existing persons. The employee upon whose false statments the checks were made, then indorsed upon them the names of the respective payees, and the checks were thereafter paid in good faith by the bank upon which they were drawn. The court held that the plaintiffs could recover from the bank the amount paid, distinguishing the Bank of England Case, and the distinction is obvious. In the former case, the member of the firm who signed the checks in the firm name believed that in every instance the payee was a real person to whom alone the check was payable, while, in the latter case, the person who wrote the maker's signature was a forger who knew that, so far as the bills of exchange were concerned, the payee was fictitious. The court expressly recognized the rule that the maker's intention was controlling, saying:

> The maker's intention is the controlling consideration which determines the character of such paper.

It is true that in many of the authorities cited the person guilty of the fraud was connected in some way with one of the parties, which may have affected the equities of the case, as was suggested in Shipman vs. Bank of State of New York, supra, concerning the decision in the Bank of England Case, while here, so far as appears, the guilty party was a stranger to both plaintiff and defendant, and they are equally innocent. But that cannot change the law as to the fictitiousness of the payees, and, if it did, I am of the opinion that any equities in the present case are with the defendant. The risk of paying out money upon a forged signature of a depositor is one which a banker must assume, and, if the plaintiff had detected the forgeries when the checks were presented for payment, it would not have suffered

any loss, and it is possible that the defendant would not.

I am of the opinion that the plaintiff has no legal claim against the defendant, and for that reason the latter is entitled to judgment upon the merits, with costs. All concur.

POWERS OF BANK—NOTE GIVEN TO AID CONSTRUCTION OF RAILROAD.

ARKANSAS VALLEY & W. RY. CO. vs. FARMERS' & MERCHANTS' BANK.

SUPREME COURT OF OKLAHOMA, JUNE 22, 1908.

A note or contract executed by a bank organized and existing under the laws of Oklahoma, as a subscription, to secure the construction and operation of a railroad, is void because in excess of the powers of the bank.

THIS was an action by the Arkansas Valley & Western Railway Company against the Farmers' and Merchants' Bank upon a note in the following form:

"$1,000. Perry, Oklahoma. May 12, 1902. For value received and for benefits accruing to me from the construction of a railroad from some point on the St. Louis & San Francisco Railroad between Sapulpa and Tulsa, I. T., through the City of Perry, in Noble county, to connect with the Blackwell, Enid & Southwestern Railway, I, the undersigned, agree to pay to the order of the Arkansas Valley & Western Railway Company at the ———— Bank, Perry, Oklahoma, the sum of one thousand dollars. The said amount to become due and payable when the said railroad shall be constructed to and into the city of Perry, Oklahoma. It is also provided that if said road is not constructed before Jan. 1, 1904, this obligation shall be void. Farmers' & Merchants' Bank, by H. L. Boyes, P't."

DUNN, J.: From the argument of counsel in their briefs it is gathered that the demurrer was sustained by the trial court on the ground that the note in question was a bonus note, given by the defendant to the plaintiff in consideration of its constructing a line of railroad, as set forth therein. In answer to this it is argued in the brief of plaintiff that the note provided, by its terms, "for value received and for benefits accruing," etc., which phrase was followed by the language providing for the consideration growing out of the construction of the railway, and that there was nothing in the note to indicate that the value received was merely that accruing to it from the railway being built; and we are asked to say that the note is susceptible to this construction. We believe that a reading of the note itself reasonably shows that the sole consideration for it was that which followed the language "for value received"; that this phrase was part of the entire phrase and sentence which set up the real consideration of the note. But if this were not true, all doubt in our judgment is removed when, in connection with the language of the note, the pleading in question is considered. That part of the petition which is quoted clearly shows that the company relied solely upon the fact "that it has performed all the conditions precedent on its part," and that the railroad had been duly constructed. This being true, that portion of the plaintiff's brief and argument dealing with the right of a bank, in due course of business, to execute notes will be eliminated from this discussion, and the court's attention will be directed to the other feature involved in this case, which may be stated generally to be: Can a bank, organized under the statutes of the territory of Oklahoma, legally make a contribution for the purpose of inducing the construction of a railroad? The petition avers that the defendant "is a banking corporation, duly organized and existing under and by virtue of the laws of the territory of Oklahoma," and section 1, c. 8, par. 242, Wilson's Rev. & Ann. St. Okl. 1903, sets out the business which a bank may be

permitted to lawfully conduct, and enumerates the same as follows: "Any three or more persons, a majority of whom shall be residents of this territory, may organize themselves into a banking association and be incorporated as a bank, and shall be permitted to carry on the business of receiving money on deposit, either with or without interest, and of buying and selling exchange, gold, silver, coin, bullion, uncurrent money, bonds of the United States or of this territory, or any of the cities, counties and school districts therein, and territorial, county, city, township and school district, or other municipal indebtedness, and loaning money on chattel and personal security and to own a suitable building, furniture and fixtures for the transaction of its business, the value of which shall not exceed one-third of the capital of such bank fully paid: Provided, that nothing in this section shall prohibit such bank from holding and disposing of such real estate as it may acquire through the collection of debts due to it; and, provided, that all banking institutions now organized as corporations doing business in this territory, are hereby permitted to continue said business as at present incorporated, but in all other respects their business and the manner of conducting the same and the operation of said bank shall be carried on subject to the provisions of this act and in accordance therewith; and, provided further, that no bank shall engage in any business other than such as is authorized by this act."

The defendant contends that the giving of this note for the purposes set out, was other than such as it was authorized to do. The plaintiff's contention is that the giving of such a note was lawful, and not against public policy, and hence that the bank could make it for this reason. The reliance of the defendant is that the note is ultra vires and hence void. The bank was a corporation, organized for the purpose of doing a specific business, and the fact that such a note as this was not illegal in itself, or illegal because it violated the public policy of the territory, did not necessarily make of it a business such as the bank could not have entered into. In discussing this same proposition, Chief Justice Comstock, in the case of Bissell vs. Michigan Southern & Northern Indiana Railroad Companies, 22 N. Y. 258, says: "The words 'ultra vires' and 'illegality' represent totally different and distinct ideas. It is true that a contract may have both those defects, but it may also have one without the other; for example, a bank has no authority to engage, and usually does not engage, in benevolent enterprises. A subscription, made by authority of the board of directors, and under the corporate seal, for the building of a church, or college, or an almshouse, would be clearly ultra vires, but it would not be illegal. If every corporator should expressly assent to such an application of the funds, it would still be ultra vires; but no wrong would be committed, and no public interest violated. So, a manufacturing corporation may purchase ground for a schoolhouse or a place of worship for the intellectual, religious, and moral improvement of its operatives. It may buy tracts and books of instruction for distribution amongst them. Such dealings are outside of the charter; but, so far from being illegal or wrong, they are, in themselves, benevolent and praiseworthy. So a church corporation may deal in exchange. This, although ultra vires, is not illegal, because dealing in exchange is, in itself, a lawful business, and there is no state policy in restraint of that business." So that from this it will be seen that the enterprise involved in this transaction may have been an entirely legal and laudable one, and yet not such a one as a corporation could engage in, by reason of the fact that it was without the scope and purpose of its creation. An individual, generally speaking, may do those things which the law does not prohibit, while under the same rule a corporation can do those things only

which the charter of its creation or the law will permit it to do; and, while this obligation might have been enforceable against an individual, because not illegal, or against the policy of the law, still it is not an enforceable obligation of a banking corporation, for the sufficient reason that the power to do it was not contained within the specific grant, nor within the implied powers necessary to carry out the terms of such grant. When we look at the statute above cited to ascertain the things which the defendant could do in pursuit of its business, we find them specifically enumerated to be those of receiving money on deposit, buying and selling exchange or bonds of the United States or of other municipalities, or loaning money, and that it might own a suitable building, etc., and weigh in these terms the conditions of this obligation, it is seen at a glance that the investing in a railroad is not among them. Neither can it be said that a grant or donation of its funds to such a corporation could rationally be claimed to come within the scope of such business. The Legislature was not satisfied to leave the construction of this grant or its limit to the application of the usual rule adopted by the courts, but placed the specific limitation upon banking corporations that "no bank shall engage in any business other than such as is authorized by this act." The business involved in this transaction was clearly beyond the specific terms of the act and not within the implied scope of the powers conferred; hence, the court in sustaining the demurrer did not commit error. In support of this doctrine, attention is called to the following authorities: (California National Bank vs. Kennedy, 167 U. S. 362, 17 Sup. Ct. 831, 42 L. Ed. 198; First National Bank of Concord vs. Hawkins, 174 U. S. 364, 19 Sup. Ct. 739, 43 L. Ed. 1007; McCrory et al. vs. Chambers et al., 48 Ill. App. 445.) The bank, in entering into this obligation, unquestionably believed that the construction and operation of the line of railroad would be of benefit to it by increasing the population within the territory from which it drew business. It was this consideration, no doubt, which induced the president, acting for it, to execute the contract.

The case of McCrory et al. vs. Chambers et al., 48 Ill. App. 445, is an instructive one on the proposition involved. In that case the bank made a contribution of its assets in the sum of $500 to retain a manufacturing company in the town where it was located. On exception being taken to this action by some of the shareholders, it was, as is said by the court, "argued with much earnestness that the donation, viewed simply from a business standpoint, may have been decidedly advantageous to the financial interests of the bank." But the court held that this was not sufficient argument to overcome the plain provision of the law that "'corporations have such powers as are expressly given them by the law which authorizes their creation, and such other powers as are necessarily incidental to the proper exercise of such express powers. The express powers are readily ascertained from the statute of the charter of the corporation. The right to make donations of money is not among them. The directors [of a national bank] can use the funds and property of the bank only for proper banking purposes, and for the strict furtherance of the business objects and financial prosperity of the corporation. They cannot use any portion of the money for objects of usefulness or charity or the like, however worthy of encouragement or aid. They cannot make gifts from the corporate fund. All their transactions must be strictly matter of business.' (Morse on Banks and Banking, vol. 1, pp. 258, 259, section 127.) The incidental powers are such as are necessary to the efficient exercise of the express powers. A donation of the funds of a bank is prima facie unauthorized. Such power is not expressly given, nor is it apparent, in the absence of proof of special circumstances, that it is nec-

essary to the proper and successful exercise of any express power." The foregoing, in our judgment, is a correct expression of the rule, not only for national banks, but for state banks as well.

The judgment of the trial court is affirmed. All the justices concur.

ACTION TO RECOVER DEPOSIT —STATUTE OF LIMITATIONS.

MISSOURI PACIFIC RY. CO. vs. CONTINENTAL NATIONAL BANK.

SUPREME COURT OF MISSOURI, DIVISION NO. 1, MAY 30, 1908.

As a bank is under no obligations to pay a depositor until after demand made, the statute of limitations does not begin to run against the depositor until he has made a demand and the bank has refused to pay.

THIS was an action to recover a bank deposit. The defendant pleaded among other things the statute of limitations.

LAMUR, *J.* (omitting part of the opinion): We now come to consider the question of limitation from the standpoint of banker and depositor. To avoid misinterpreting what is said on the point of limitation, it is well to announce at the outset that whatever is said must be construed as strictly confined to the particular facts held in judgment. This is not a case where a bank owes a bill payable—an I. O. U., a note or due bill—nor is it a case of a certificate of time deposit not subject to check; nor is it a case where a bank comes into possession of a fund as a mere collecting agent and nothing more; nor is it a case (which we cite without approving or disapproving) like Quattrochi Bros. vs. Bank, 89 Mo. App. 500, where a pass book was balanced, a credit item wrongfully altered, and a cause of action apparently predicated of the wrongful alteration of the pass book. The law of limitations of actions applied to such or like cases or to cases where pass books are balanced, accounts rendered, and (after notice) acquiesced in, or where questions of estoppel might arise does not concern us.

The naked question here is: Does the statute of limitations run in favor of a bank or as against his depositor before demand of payment by, and a refusal to pay on, the depositor's order? Neither diligence of counsel nor our own has discovered a case directly in point in the appellate courts of this state. The question, then, is res integra, and must be decided on the inherent reason of the thing and the persuasive authority of precedents in other jurisdictions establishing the general law. Courts are fond of saying that the relation between depositor and banker is merely that of debtor and creditor. (Henry County vs. Salmon, 201 Mo., loc. cit. 163, 100 S. W. 20.) If that formula precisely expressed all there was of the truth, then the statute of limitations would be applied to the relation of depositor and banker precisely as it is between debtor and creditor. But the formula may be said to be somewhat of a fiction of the law—a formula used for want of a better and springing from the poverty of our language in expressing nice shades of thought. It is the truth, but not all there is of it. (Clifford Banking Co. vs. Donovan Com. Co., 195 Mo., loc. cit. 287, 94 S. W. 527.) For example, a bank is sometimes viewed as a mere custodian of the depositor's fund (Girard Bank vs. Bank, 39 Pa. 92, 80 Am. Dec. 507); so it is trite learning that a bank is under no obligation to pay until demand made. It need not like a common debtor, run about and hunt up its creditor, and pay him whenever and wherever found. To the contrary (Mahomet going to the mountain) it pays only over its counter. See authorities, infra. The deposit, then, not being due till demand is made, the demand and refusal to pay set the statute running. The root and philosophy of the relation is suggested by Sherwood, J., in Landis vs. Saxton, 105 Mo. loc. cit. 491, 16 S. W. 912, 24 Am. St. Rep. 403, where, speaking of

deposits in banks, he says: "The very purpose of the bailment is safe-keeping and the duration of the bailment is necessarily indefinite. There some action is requisite in order to determine the bailment or to put the bailee in the wrong, in case he may refuse to accede to the demand for the deposit made." When A. puts his money with B., a banker, he does it with the purpose of leaving it there for a day, a year, or many years. It may be it is not put where moth and rust do not corrupt and thieves do not break through and steal; but A. feels safe, as things run in this world. He may go into a far country, up and down and to and fro, resting on the assurance that his money will be his on his return; B. having the use, the interest, of it as his in the absence of a special agreement. Was it not shrewdly said in very olden time: "Wherefore then gavest not thou my money into the bank, that at my coming I might have required mine own," etc? Luke, 19: 23, q. v. But would it not be a startling and far-reaching proposition to announce that B., the banker, has not only the usufruct of, but by the mere flux of time has absorbed, the very corpus of A.'s deposit; thus bringing B. within the description of the austere man, of whom it was said in the authority, supra: "Thou takest up that thou layedst not down, and reapest that thou didst not sow"? The fact that no case involving that proposition is in our reports may well be due to the consensus of opinion in the business world that the proposition runs counter to good banking and the good sense of the thing. Referring to the contract between banker and depositor, Morse on Banks and Banking (4th Ed.) § 322, says: "We have already seen that it is a contract specially modified by the clear legal understanding that the money shall be forthcoming to meet the order of the creditor whenever that order shall be properly presented for payment. It follows, therefore, that this demand for payment is an integral and essential part of the undertaking, and it may be said even of the debt itself. In short, the agreement of the bank with the depositor, as distinct and valid as if written and executed under the seal of each of the parties, is only to pay upon demand. Accordingly, until there has been such demand, and a refusal thereto, or until some act of the depositor, or some act of the bank made known to the depositor, has dispensed with such demand and refusal the statute ought not to begin to run, nor should any presumption of payment be allowed to arise." Mr. Bolles in his work on Banks and Their Depositors, § 360, adopts the rule announced by Strong, J., in Girard Bank vs. Bank of Penn Township, 39 Pa., loc. cit. 98, 80 Am. Dec. 507, and the reasons supporting it, as stating the generally accepted doctrine, viz.: "The engagement of a bank with its depositor is not to pay absolutely and immediately, but when payment shall be required at the banking-house. It becomes a mere custodian, and is not in default or liable to respond in damages until demand has been made and payment refused. Such are the terms of the contract implied in the transaction of receiving money on deposit, terms necessary alike to the depositor and the banker. And it is only because such is the contract that the bank is not under the obligation of a common debtor to go after its customer and return the deposit whenever he may be found. Hence it follows that no right of action exists, and the statute of limitations does not begin to run until the demand stipulated for in the contract has been duly made. For this authorities are hardly necessary." The great weight of authority runs the same way. (Munnerlyn vs. Bank, 88 Ga. 333, 14 S. E. 554, 30 Am. St. Rep. 159; Koelzer vs. Bank of Whitewater, 125 Wis. 595, 104 N. W. 838.) See cases collected from Arizona, Louisiana, Maryland, Massachusetts, Minnesota, Nebraska, New York, South Dakota, Texas, and Vermont by the learned editor in note 32, p. 1018, 25 Cyc. It results that, having already held that under

the pleadings and proofs the relation of depositor and banker might well exist in this case, we now go further, and hold that, under the facts uncovered and established, the statute of limitations did not run. Broad justice and public policy lie with that view. So the doctrine of well-reasoned cases lies the same way.

PROMISSORY NOTE — WHEN PARTY HOLDER IN DUE COURSE.

RICE vs. BARRINGTON.

COURT OF ERRORS AND APPEALS OF NEW JERSEY, JUNE 15, 1908.

Proof of circumstances calculated merely to arouse suspicion will not defeat recovery on a negotiable note taken for value before maturity; but for this purpose bad faith must be brought home to the holder.

HARRISON, *J.:* This writ of error is brought to reverse a judgment entered upon a verdict directed for the plaintiff, Herbert A. Rice, in the court below. The defendant was R. C. Barrington, and the note upon which the action was brought read as follows:

"$380.14. Mount Holly, N. J., Nov. 9, 1905.

"Three months after date I promise to pay to the order of Roger Byrnes three hundred and eighty .14 dollars, at Mt. Holly, value received.

R. C. Barrington."

Indorsed:

"Roger Byrnes.

"Dr. H. A. Rice."

The plaintiff testified that he bought the note from its payee, Byrnes, before maturity, to wit, January 8, 1906. On cross-examination the plaintiff was asked: "Q. Well, you had purchased a note from Mr. Byrnes before this date, which you had found out from the party had been fraudulently obtained from him, had you not?"

This question was upon objection overruled. The overruling of this question is the first ground assigned for error. The ruling of the trial court was correct, and may be supported upon any of several grounds. The most comprehensive ground for sustaining the ruling is that the fact that Rice had found out that a note he had previously purchased from Byrnes had been fraudulently obtained was at most a suspicious circumstance as regards the note in suit; and that the fifty-seventh section of the negotiable instrument act of 1902 (P. L. p. 593), read in connection wtih the decisions of our courts, establishes the rule that proof of circumstances calculated merely to arouse suspicion will not defeat recovery on a negotiable note taken for value before maturity. Bad faith—i. e., fraud, not merely suspicious circumstances—must be brought home to a holder for value whose rights accrued before maturity in order to defeat his recovery on a negotiable note upon the ground of fraud in its inception or between the parties to it. (Hamilton vs. Vought, 34 N. J. Law, 187; Read vs. Abbott, 45 N. J. 303; Aldrich vs. Peckham [N. J.] 68 Atl. 345, and the cases there cited.)

The rule thus laid down covers the remaining assignments of error, also; for they all rest upon the assumption that notice of suspicious circumstances is the legal equivalent of proof of actual fraud.

This disposes of the assignments of error.

At the very close of the trial, counsel who then represented the defendant made a motion for the direction of a verdict for the defendant, upon the ground that the plaintiff had not proved his title to the note because he had not shown that the name of the payee that appeared to be indorsed on the note was the writing or signature of Roger Byrnes. The trial court denied this motion, and allowed an exception. In view of the decision of this court in Beckley vs. Evans, 49 N. J. Law, 442, 9 Atl. 381, and the rulings upon evidence made in the pending trial, this motion, if well founded in the testimony, would be open to question. The

denial of this motion, however, is not assigned as error. Indeed, the matter is not at all referred to in the brief of counsel for the plaintiff in error, which, on the contrary, speaks of "Rice being the regular indorsee of these notes from Byrnes." We have, therefore, not considered the matter, which is mentioned now merely to guard against the misapprehension that the course thus pursued at the trial is approved as to an indorsee whose ownership was not traced through proof of the indorsement of the payee of the note.

Finding no error upon any point that has been assigned, the judgment of the circuit court is affirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

CONSIGNMENT OF BILLS RECEIVABLE AS SECURITY—BANKRUPTCY.

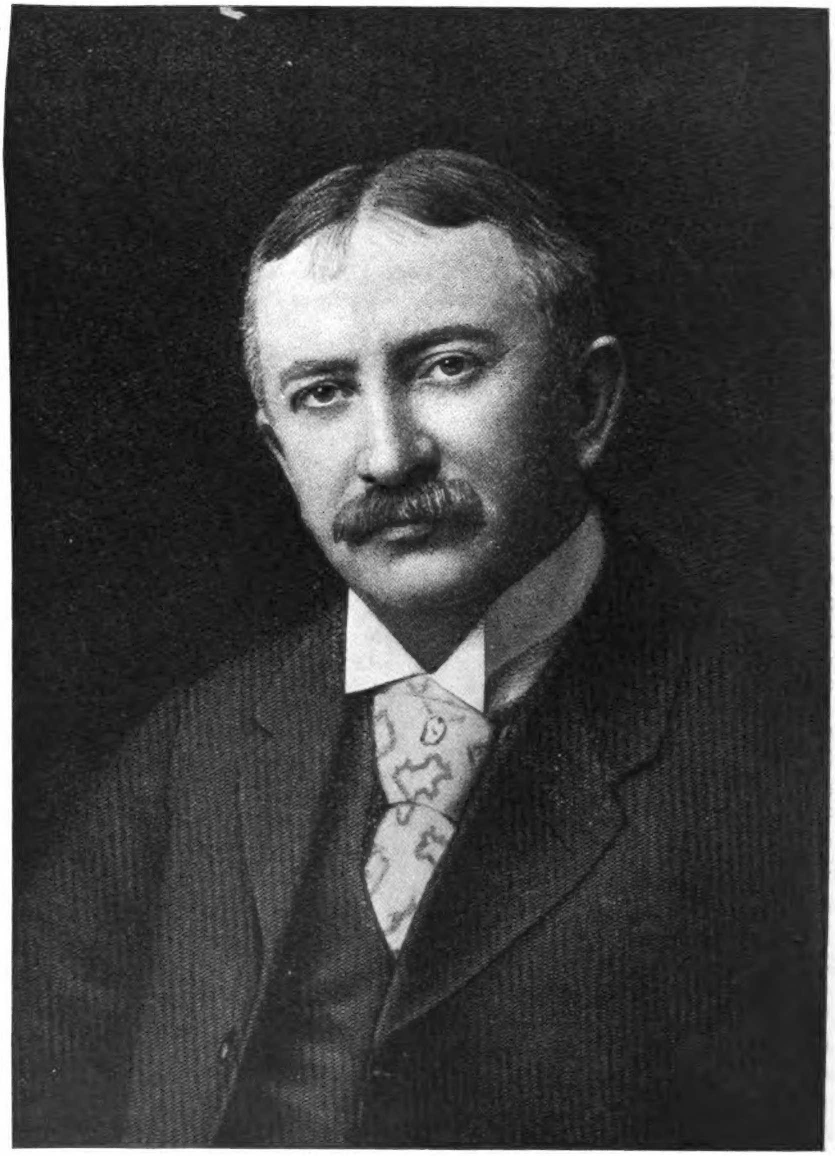
JACKSON, MISS., Oct. 6, 1908.

Editor Bankers Magazine:

SIR: In one of the numbers of your valuable periodical, issued within the past year, I have seen a legal decision handed down by the Court of Appeals of Kentucky (I think), in a case where a bankrupt's creditors sought to have set aside an assignment of accounts receivable, which assignment had been pledged to a bank as collateral. My recollection is that the court held in favor of the bank. Can you tell me where the case is reported?

Cashier.

Answer: The case to which our correspondent refers may be Tomlinson vs. Bank of Lexington, decided by the United States Circuit Court of Appeals for the Fourth Circuit in May, 1906. (115 Fed. Rep. 824). In that case, a bank had allowed a customer to overdraw on the express agreement that he should assign good accounts receivable to pay the overdraft, and it was held that the subsequent assignment of the accounts did not constitute a preference under the bankrupt law, although the customer was then insolvent. Another case bearing upon the same subject is Young vs. Upson (115 Fed. Rep. 192) decided by the United States Circuit Court for the Southern District of New York in May, 1902. In that case, the directors of a corporation authorized its president to borrow money of Y, and to secure repayment by assignment of bills receivable as collateral security. The company was then to collect the assigned accounts as agent for the lender, and without expense to him. Subsequently, at different times between September 16 and December 18, 1899, Y loaned and advanced to the company various sums, to secure which he exacted and received demand notes for each amount loaned, together with assignments in writing of bills receivable as collateral security. Appended to each note was a list of claims or accounts assigned. The amounts varied from $1,000 to $3,000, and aggregated $53,700. The court said: "The transaction is admitted to be free from actual fraud or deceit. It was not seriously contended on the hearing that a preference was created by the act of transfer. A preference, within the scope of the bankrupt act, is created when it shall be given within four months of filing petition, and when the person receiving it has reasonable cause to believe it was intended to give a preference. We have no such claim here. The security was given for a present consideration, and therefore no fraud on creditors under the bankruptcy act. (In re Wolf [D. C.] 98 Fed. 84; in re Soudan Mfg. Co. [C. C. A.] 113 Fed. 804)."



Charles A. Conant.

CHARLES A. CONANT.

THERE are probably few living Americans who have made so careful a study of the science of money and finance and have done so much constructive work as Mr. Charles A. Conant, whose portrait appears in this number. Apart from two or three University Presidents like Doctor Hadley, it would be perhaps not too much to say that Mr. Conant has a wider reputation. abroad as well as at home, than any other living American economist. His education has been varied, but is of a character to broaden his knowledge and activities without dissipating them over too wide a field. While he has a general knowledge of economic principles in all branches of the science, he has confined his special studies almost exclusively to money and banking. His familiarity with these subjects first brought him to the attention of New York financiers through his work as Washington correspondent of the New York "Journal of Commerce." Then came his book on "A History of Modern Banks of Issue," which has remained the chief authority in English since its publication in 1896. A new edition, covering the remarkable monetary experience of the past dozen years, is now in course of preparation. This book was devoted to a record of facts. On the side of theory, Mr. Conant published in 1905 a book in two volumes on "The Principles of Money and Banking," which is the most modern work on the subject.

Work in Connection with the Gold-Exchange Standard.

It is in the field of practical measures, however, rather than of literary effort, that Mr. Conant has achieved his greatest reputation. He became an expert adviser to the Executive Committee of the Indianapolis Monetary Convention of 1898 and had much to do, in connection with Mr. H. H. Hanna, the Chairman of that Committee, in giving form and substance to the gold standard law of 1900, which crowned the victory over free silver in 1896. When the Spanish dependencies in the West Indies and the Orient fell under American control, Mr. Conant was prompt to recommend to the Treasury and the War Department the introduction of a system of stable exchange. Other views than his were adopted in Porto Rico, with the result of disturbances in monetary conditions which led intelligent American officials to admit that his plans would have produced better results. When it came to the Philippines, Mr. Conant was asked, in the summer of 1901, by Mr. Root, then Secretary of War, to visit the Islands and agree with the Philippine Commission upon a workable and sound monetary system. He found Governor Taft and his associates cordially in favor of the principle which he advocated,—that of the gold exchange standard. His report in favor of this system has become a classic and has been repeatedly quoted by European as well as American writers on monetary conditions in the Orient.

The gold exchange standard, of which Mr. Conant became in a sense the special exponent, has blazed a new path in monetary science. Mr. Conant would probably be the last to claim that the entire credit for the extension of this system is due to him. Like all important reforms, it has been the product of several minds, but Mr. Conant has probably done as much to secure its adoption throughout the world and to give it standing in monetary science as any other single person. A step towards the system was taken when British India suspended the free coinage of silver, in order to raise the value of the silver coined to a fixed gold value by means of the scarcity of the old coins. The Indian Government

eventually discovered the futility of relying entirely upon scarcity and finally adopted the system of an exchange fund in the governing country, which Mr. Conant always insisted was an essential part of a sound system.

The striking feature of the Philippine system which was the result of the report of Mr. Conant was that it represented a complete, comprehensive and workable structure and did not depend upon the slow evolution of events to bring the coinage up to gold parity, as was the case with the Indian system and was at first proposed in Mexico. Mr. Conant was invited in the spring of 1903, with Professor Jermiah W. Jenks and Mr. Edward Brush, to confer with the Monetary Commission which was then considering the adoption of the gold standard in Mexico. The views of the American visitors carried much weight with Mr. Creel, one of the warmest advocates of the reform, and were ultimately adopted by Mr. Limantour, the Minister of Finance. The benefits of establishing a fixed exchange in affording security for the investment of foreign capital and attracting it into the country was one of the merits of the new system most strongly urged by the Americans and by far-sighted Mexicans and the results within three years after the adoption of the gold standard have abundantly justified these predictions.

In connection with the effort to establish the gold exchange standard in Mexico, the Government of the United States was asked to co-operate with the Government of Mexico in urging co-operation on this subject upon the leading European powers having dependencies in the Orient. In order to present the subject properly to these powers, the Mexican and Chinese Governments requested the appointment of a commission to visit Europe. Mr. Conant, who had a large part in the entire project, was asked by Secretary Hay to serve as Chairman of this Commission, with Professor Jenks and Mr. H. H. Hanna. He declined the chairmanship in favor of Mr. Hanna, but served as a member of the commission, and in this capacity visited London, Paris, The Hague, Berlin and St. Petersburg, where conferences were held with similar commissions appointed by these governments. The result of these conferences was general agreement in favor of a system of stable exchange in Oriental countries and the determination of the Government of British India to buy silver for coinage purposes with greater regularity in order to avert unnecessary fluctuations in exchange in those countries which remained on the silver standard.

When the United States took possession of the Canal Zone, a new monetary problem presented itself in the payment of the thousands of men employed in the construction of the Canal. Mr. Conant was again called into consultation by the War Department, which was charged with the government of the Canal Zone. The Government of Panama expressed a desire to co-operate with the United States in the adoption of a stable monetary system, and adopted with the approval of Secretary Taft the system of the gold exchange standard, in spite of the protests of Mr. Shaw, then Secretary of the Treasury. It was the testimony of Governor Magoon before committees of Congress that the new system resulted in great convenience and economy in handling the labor problem on the Isthmus.

Banking and Financial Experience.

Mr. Conant was Treasurer of the Morton Trust Company from March, 1902, to December 31, 1906, and in this capacity made several visits to Europe on important special missions. His reputation and cordial relations with financiers throughout the world secured several large deposits for the Company. He was invited to serve as a member of the Committee of the Chamber of Commerce of the State of New York which recommended the adoption of a central bank for the United States. Mr. Conant was in 1907 made one of the

directors of the Manila Railway, controlled by Speyer & Company of New York, which is endeavoring to extend the railway network in the principal civilized island of the Philippines.

Inevitably, as a result of these wide activities, Mr. Conant has acquired an acquaintance and reputation in Europe second to that of hardly any other American not conspicuous in public life. His work on money and banking was translated into French by Doctor Raphael Georges-Lévy. He is a member of the Societe d'Economie Politique de France and is personally acquainted with its leading members. Doctor Koch, the late Governor of the Bank of Germany, and Doctor Pallain, Governor of the Bank of France, always welcome Mr. Conant without ceremony on his visits to Europe. On his last visit to Berlin in 1906, he desired to see Doctor Koch on the afternoon of his arrival. He was told by other bankers that it would be contrary to all precedent to grant an interview on such short notice, but a messenger soon returned with word that Doctor Koch would see him at four o'clock, and thus enable him to continue his tour without delay. The regard in which Mr. Conant is held by prominent foreign statesmen and economists is indicated by many of the signed portraits which ornament his library—like those of Count Matsugata, who was the author of the gold standard in Japan; Doctor Koch of the Imperial German Bank; Señor Limantour, the Mexican Minister of Finance; Doctor Yves Guyot, the eminent French economist and former Minister of Commerce; and Pope Pius X, who in a private interview expressed to Mr. Conant his warm appreciation of the generous policy towards the Church adopted by the American Government in the Philippines.

Political Affiliations.

In politics Mr. Conant was originally a Cleveland Democrat. He was Democratic candidate for Congress in the Harvard University district in 1894, running well ahead of most candidates on the ticket. The free silver agitation, however, found him in the ranks of the Gold Democrats and a delegate to the National Democratic Convention which nominated Palmer and Buckner. At this convention he was active in securing a plank in favor of a flexible bank note currency, as he had already been in the Democratic State Conventions in Massachusetts in the autumn of 1895 and the spring of 1896. While believing that diplomatic measures instead of war would have secured self-government for Cuba, Mr. Conant was quick to realize the far-reaching effects of the results of the War with Spain, and cordially favored the retention of the Philippines. He was among the first of American economists to set forth in public the economic advantages of maintaining a foothold in the East. The collection of magazine articles which he published under the title, "The United States in the Orient,—the Nature of the Economic Problem"—dealt with these aspects of the subject. The appearance of the United States in the ranks of colonial powers was treated in its broad aspects as part of the struggle for open markets and for commercial development. Upon these grounds, Mr. Conant supported President McKinley in 1900 and tended gradually to the ranks of the Republican party, because he believed that it represented a party of construction and achievement. He dealt many hard blows against Bryanism in each of the Bryan campaigns and received several letters of appreciation from Judge Taft, with whom he has had pleasant personal associations during many years.

BRITISH SAVINGS BANK DEPOSITS

CONSUL-GENERAL ROBERT J. WYNNE, of London, reports that the returns for the British post-office savings bank for 1907 show that the amount deposited during the year was $215,183,427, which, with interest and the amount brought forward from last year, made a total of $992,443,395. Repayments during the year amounted to $225,969,270, leaving a balance due to depositors of $766,-474,120.

CURRENT OPINION

FINANCIAL PROBLEMS OF BANKERS.

GEORGE E. ALLEN of the American Institute of Banking, in an address before the Indiana Bankers' convention on November 12, said:

Banking is immersed in the sea of politics, and bankers are swimming and diving in companionship with political whales, bullheads, sharks and lobsters. I am a good enough Calvinist to believe that this condition, unfortunate as it may seem to some, is due to benign predestination, and I am a good enough homeopathist to believe that the best remedy for too much politics is more politics.

The bankers' political platform need have but these two planks:

1. Stick to banking.
2. Educate the people up to the point where they will uphold sound banking principles and practices.

The second plank is where banking politics comes in. The first plank is where political banking stays out.

Bankers do business with all classes of persons, corporations, millionaires, farmers and wage earners, and are in sufficient personal touch with public sentiment to realize that the recent Presidential election settled none of the economic questions which keep the country upset. The motive back of the popular vote was caution rather than conviction. There was no such demonstration of popular will as takes things out of politics and puts them into history. We still have with us the currency question, the problem of safeguarding depositors and all sorts of issues pertaining to wealth and the wealthy.

The solution of financial problems has heretofore been rendered difficult by vultures of society who made merchandise of popular discontent. Literary buccaneers coined it into money. Political Pharisees utilized it as the shortest cut to preferment. Sensational preachers substituted it for the sermon on the Mount. Now comes a change. The sun has set on the gloomy day of envy, hatred and malice. There are fewer readers for liars who lampoon for profit. There are smaller audiences for orators who prostitute their eloquence. There is less demand for the assassination of souls.

The solution of financial problems, however, will come from the middle of society and not from either of its extremities, for the belief is bred in human blood that no good thing can come out of mammon. This belief is inherited from savage times when wealth came by robbery and went in riot, and such methods have not yet been sufficiently changed to remove ancestral impressions.

Among the middle class destined to solve financial problems are the rank and file of American bankers, who are neither rich nor poor, and should not be confused with promoters and speculators who practice financial jugglery. Not a bank president in New York holds his position on account of his money—they are all wage earners—and similar conditions prevail throughout the country. Bankers are trustees and not owners of wealth and are more interested in finance as citizens than as bankers. If bankers will take the people into their confidence and cut out political middlemen the people will reciprocate.

TOO VENTURESOME BANKERS.

JOHN W. GATES was in New York during the trial of Chas. W. Morse and after he had returned to his home at Port Arthur, Texas, he took occasion to say this, commenting upon the trial and the sentence pronounced:

Very few bankers or financiers intentionally swindle or steal, but in the manipulation of big deals involving millions they become venturesome. All is well while the investments are in the ascendency, but sometimes the unexpected happens and before one can recover the millions are gone.

I am not preaching to bankers how to run their business, but the day has come when the banks must tote straight with the money entrusted to them or suffer the consequences. An honest failure is bad enough, but to falsify the records is a crime, and the law must protect the victims and put a stop to it.

A FINANCIAL BUGBEAR.

JOSEPH WAYNE, JR., cashier of the Girard National Bank, and former president of the Pennsylvania Bankers' Association, severely condemned the idea of governmental guaranty of bank deposits Nov. 6, in an address before the Philadelphia Chapter of the American Institute of Banking. He declared himself to be unalterably opposed to any such scheme, and brought forth strong arguments against what he termed "the new bugbear appearing on the horizon of American banking."

Mr. Wayne said:

The so-called necessity for guaranteeing bank deposits owes much of its strength to the financial disturbances of last fall. It is being urged as a means of preventing panics, and there is no question of the desirability of accomplishing that purpose, but will it do so? I think not. The shifting of the responsibility of a bank to its depositors from any individual one to a joint liability, will in no way gain the desired result.

After pointing out the place personality has occupied in the development of the country's banking system, the speaker said:

Even now there is entirely too much

competition for deposits. If every bank was as good as the next one owing to a government or a joint guaranty, can you picture the result? There would be nothing to prevent dishonest or incompetent men from entering the banking business and they would be the very worst competitors we would have to face. The trouble is, we all of necessity deal in the same kind of money and if deposits were made a joint guaranty there is no reason why anyone should not place his money with the bank offering the greatest inducements. No laws could be framed that could so limit the possible inducements for business, that ruinous competition would be prevented.

Passing on to the plea made by friends of the guaranty plan, that it is simply a form of insurance such as is used in other lines of business, the speaker declared the comparison was laughable.

In placing insurance, you are at liberty to choose the company which, to your mind offers the best security, but you have no guarantee other than the strength of the individual company involved, that you will ever, in case of necessity, be able to collect the amount of your policy. Are the strongest insurance companies taxed to guarantee the risks assumed by any and all insurance companies? Most assuredly not. The premium for insurance or guaranty or whatever you may want to call it, is in my line of business based on the character of the risk involved, this first principle of insurance has, however, apparently been overlooked in the bank guaranty plan. Would any other line of business care to have forced upon it any scheme of insurance that failed to take into account the character of the risks assumed?

Mr. Wayne asserted that the handling of the immense guaranty fund by politicians would be a dangerous feature of the scheme. He gave statistics to show that the plan had not worked well in Oklahoma, and in closing raised the question as to whether it would be legal under the Constitution.

UNIFYING BANKING OPINION.

ONE of the important results of the virtual reorganization being conducted by the new Comptroller of the Currency, says a correspondent of the Boston Transcript, is to stimulate and unify banking opinion as to the inadvisability of longer continuing the antiquated fee system under which the national bank examiners work. The national bank act provides that examiners shall receive, for examining national banks, fees proportionate to the bank's capital, as follows:

Under $100,000	$20
$100,000, under $300,000	25
300,000, under 400,000	35
400,000, under 500,000	40
500,000, under 600,000	50
600,000, and over	75

For years efforts at reform in this direction have been made but they have come to nothing. There is no direct authority for saying that the prospect is any brighter now, but the new regime is reducing the whole scheme of bank management to a system, and it should follow as a natural consequence that the unsystematic fee "system" must go. Comptroller Murray has divided the bank examiners into districts and appointed one of their number chairman in each. It is intended that every three months a conference shall be held by the examiners in each district, from which the chairman may be able to send a report and useful suggestions to Washington. This in itself is a step toward an organization in which men employed under the fee system can have no place.

Comptroller Murray's conduct of his office, rigid and disciplinary as it has been, has the warm approval of his immediate superiors and President Roosevelt. He succeeded an efficient man, William B. Ridgely, and the improvements he has introduced are only responsive to the increasing demands of the times.

GOOD WORDS FOR NEW YORK BANKS.

CLARK WILLIAMS, superintendent Banking Department State of New York, speaking at the convention of the American Bankers' Association, said:

Mr. President and Gentlemen, I stand before you not as a man connected with any financial institution, and I must rely upon your courtesy to hear me for a moment. As Superintendent of Banks of the State of New York I represent $3,517,000,000 of banking power, equal to twenty per cent. of all the institutions doing a banking business in the United States. During the last year we passed through a great financial panic, the general causes of which are familiar to all, and the storm centre of that panic was in New York city. Thirteen institutions under our supervision closed their doors—institutions whose aggregate assets amounted to $125,000,000. These institutions, gentlemen, were solvent, and, with the exception of two which have liquidated and have paid all claims against them in full, all have resumed without a dollar's loss to a single depositor. I ask you, gentlemen, could a guarantee plan have produced any more satisfactory result?

UNIVERSAL PEACE.

ON November 13, the Consul-General of Japan, Kokichi Midzuno, spoke before an audience in the Teachers' College of Columbia University, and his subject was "Universal Peace." He spoke of the wonderful advancement made by his country since Commodore Perry first entered her ports and thus opened the way for the world to come in. And speaking further, he said:

The commerce of the world, after undergoing considerable historical changes, moving

its centre from the Mediterranean to the Atlantic, has made London and New York the two principal markets of the world. There is, however, every indication of this centre turning overland to the West and of the Pacific ocean becoming the future centre of the world's commerce, and the vast soil and population of Asia becoming the most, or one of the most, important commercial fields, to which the commercial and industrial activities of America and Europe will be directed to dispose of their abundant products.

Is it not, then, the excellent opportunity and pleasant duty of Japan and her people to furnish Western countries with the facilities and the information of the vast and prospective Asiatic markets for their goods, and to have the enormous natural and agricultural resources of the Far East opened to the free and liberal competition of the commercial nations of the world at large, and in return to encourage the introduction of the modern and Occidental moral and physical civilization in every branch of life of the Eastern people?

These are the ultimate objects and the ideals of Japan as a nation, and I believe it to be a mission that Providence has alloted to Japan to unite and to assimilate these two vast streams of Oriental and Occidental civilizations, thus contributing to the happiness and well-being of the human race at large.

How can this be done? How can such pleasant but tremendous enterprises be accomplished? I saw without hesitancy and reserve that they will and must be done in peace and by peace. I candidly admit that Japan has had two great wars in the last quarter of a century, and fought many severe battles in which I can say, with due modesty, my fellow-countrymen have displayed their valor and their courage to the admiration of the world, but I claim at the same time that these battles were fought in self-defense, if not for her very existence.

To me and to my people the most valu-

水野幸吉

KOKICHI MIDZUNO

Japanese Consul at New York.

able asset of Japan, as it pertains to the still further advancement of progress and, therefore, civilization, is her desire for national peace—that intuitive and inherent instinct born in every heart—the one element that marks the chief, if not the sole, distinction between the human and brute creation. To the close observer of Japan of today it will be evident that this earnest advocacy of international peace is most paramount. It is this national love of peace that I believe will be the support of the further advancement of her civilization, and the nucleus of her strength in the future.

COMPTROLLER MURRAY DEFENDED.

IN its November circular the National City Bank of New York, the largest in the country, discusses the recent letter sent out to national bank examiners by Comptroller of the Currency Murray, which contained a list of 29 questions that examiners were to submit to directors of banks at future examinations. Considerable criticism has been aroused by the Comptroller's action, which is designed to bring to light the exact degree of attention which directors of banks give to the institutions under their care. The City Bank says:

The inquiries are not so much directed against the good and well managed banks as against those which are habitually delinquent, although it is desirable that the Comptroller should have complete information as to all. Surely no one can offer serious objection to the zealous effort of the Comptroller to find out if directors perform their tasks and are acquainted with the statutes which define their duties and regulate their conduct and that of the officers and employees who have to do with the actual working operations of a bank. There are 7,000 such banks in the country, and there are nearly 100,000 directors of national banks responsible under their oaths for the well being of the banks whose stockholders have committed into their hands the honorable and exacting duty of seeing to it that the banks are properly managed and their affairs carried on under the laws applicable to them.

POSTAL SAVINGS BANKS IN BELGIUM.

MR. C. DE LONG, a wealthy citizen of Brussels, Belgium, in a recent interview with one of our daily newspapers, gave some interesting facts about the workings of postal savings banks in his country. In part he said this:

As is well known, Belgium is one of the thriftiest countries in the world. There are no paupers over there — and few Belgians emigrate to other countries. The government pays the individual interest on his savings, insures his life and gives him an annuity if he saves up to pay for it. Anywhere in Belgium deposits for the government savings banks may be made in the branch postoffices and in all the branches of the national savings banks.

The system is simple and through it thousands of the poorer classes lay by money each year. By means of special adhesive stamps deposits are made. These stamps are really receipts for the sums paid in and they are pasted in a bank book which is delivered to each depositor free of charge. Of course every transaction between the depositor and the banks is entered in these books. Interest is calculated annually. If any depositor desires to correspond with a national bank he may do so free of postal charges and after he has received a bank book he may put money in any postoffice in the country. The smallest deposit that is accepted is one franc, but those who cannot afford to deposit as much as this at any one time are provided for, the government authorizing smaller deposits by postage stamps. The rural letter carriers take with them the necessary forms for this purpose.

This system is a great thing for school children, laborers, and all those who can only lay by a little at a time. The life annuities may be contracted for at all the branches of the savings banks, at national bank branches, at postoffices, and at the tax receivers' offices. The minimum payment accepted is a franc.

The annuities paid from the fund range from one franc to 1,200 francs. The annuities are payable at the end of each completed year from the age of 50 to 65. These annuities are very popular and they are contracted for in two ways. By paying the capital benefit to any heir, and by providing that the capital, less 3 per cent., for general expenses, shall be paid over to the heirs after the death of the beneficiary.

SAFE BANKING.

SPEAKING recently before a convention of bankers, Henry W. Yates, president of the Nebraska National Bank of Omaha said:

Joined with intelligent public regulation, the character, experience and standing of the men managing the business are the only safe guaranties, and the danger comes when these are obscured by blind confidence in an imaginary guaranty fund or endorsement.

THE FIRST U. S. CENSUS.

THE heads of families whose names adorn the pages of the first United States census of 1790, now for the first time published at Washington, were less than eight times as numerous as the army of 70,000 census takers that will be required to count the population of 90,000,000 in 1910. There were six persons in the average family, so that, exclusive of slaves, the total population in 1790 is set at 3,231,533. The schedules for the states of Delaware, Georgia, Kentucky, New Jersey, Tennessee and Virginia were destroyed when the British burned the capitol at Washington in the war of 1812, but the records of the rest of the colonial states are complete.

The cost of the first census was $44,377. For the census of 1910 it will be approximately $14,000,000, and the country is growing so tremendously that Director North predicts that it may thereafter require a complete enumeration every five years, instead of for each decennial period. The United States marshals and their assistants, 650 in all, acting under orders from President George Washington, had greater difficulty, it seems, in obtaining answers to their simple questions about free persons and slaves than do the later enumerators with their more complex requirements. One section of the colonial population found Bible warrant for opposing the count, while other forefathers were somehow fearful that increased taxes would result from their disclosures. The heads of families in this city and state did admit, however, the possession of 21,129 slaves, besides many persons bound in service, and they freely gave their names. It is of passing interest to those who are still in doubt about the pronunciation of the name "Roosevelt" that it was spelled in the original census sheets with a single "o."—*New York Times.*

ENGLAND MINTS HOLED COINS.

LOCAL coin collectors are much interested in two specimens of perforated coins recently struck at the British Mint for circulation in the colony of Nigeria, British West Africa. The denominations are one penny and one-tenth of a penny, the former being composed of a white metal composition and the latter of aluminum. Both coins bear the familiar double triangle so common on African coins, and are of rather handsome design, the reverse of each showing a crown, between the inscription "King Edward VII., King and Emperor."

These coins are especially remarkable as being the first holed coins to be issued by any of the European countries, with the exception of the Belgian coins issued for Congo, following the custom of China, which for many years has issued all its coins of low denomination with perforated centres. The perforations are intended to facilitate the custom of the natives in stringing their coins.

A curious fact in connection with this coin issue is that this year for the first time the recommendation was made by the Empress Dowager of China to her Mintmaster a short time before her death, to devise a new style of "cash"—a coin equivalent to about one-tenth of a cent—without the time-honored perforated centre.

IRISH BANKING CONDITIONS.

CONSUL ALFRED K. MOE, of Dublin, furnishes the following information concerning banks and banking conditions in Ireland:

The fluctuation in the rate of interest which occurred during the first six months of this year had a very considerable effect upon banking profits. The reports of both English and Irish banks show traces of this fact. Of the Irish banks that issue their reports at this period there is in no case a diminution of the dividend reported; and this, though not the sole test of prosperity, is the one which shareholders are inclined to look at most keenly on this side of the Atlantic.

The figures of the Bank of Ireland are, perhaps, most noteworthy for the large expansion in resources received from the public and the still further strengthening of the already strong cash reserves. The national bank can also report an increase in deposits and current accounts of a substantial nature. The profits were somewhat less than last year, but the dividend was maintained at its former figure, and the recovery in the market for gilt-edged securities rendered it unnecessary to add to the reserve fund.

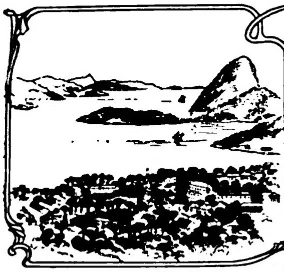
The Provincial Bank had a report which was favorable in all respects save one—the net profits, which showed a considerable falling off when compared with what they were twelve months ago. This institution is largely interested in the linen trade, and it is probable that the diminished profit is partially due to the unsatisfactory conditions prevailing in that trade. In spite of the lesser returns, the directors were able to pay their usual twelve per cent., to add nearly $25,000 to the reserve, and to write a similar sum off the premises account. The Munster and Leinster Bank continued its prosperous career, and had no difficulty in returning thirteen per cent. to the shareholders.

Agricultural Co-Operative Credit Associations.

While the field of banking in this country, as far as it can be cultivated by the joint-stock banks, appears to be fully occupied, there is another direction in which there is room for the development of credit institutions—i. e., co-operative credit associations in connection with agriculture. Germany leads the way in this sphere of enterprise, and while the institutions progressed but very slowly when first started in that country, they now fill a most important position in the economic conditions of German agriculture. They were started in Ireland about fourteen years ago. The root idea was the formation of small local associations, the members of which would be liable for the funds intrusted to them, and would lend them out, as required, in small sums, for productive purposes only. They are meant to deal with a class of business which the joint-stock banks would be disinclined to handle, for they would neither have the local knowledge nor the interest to do so.

In connection herewith, a leading local newspaper says:

These credit associations, now gradually increasing in number, tend to strengthen the morale and the industrial spirit of those who deal with them. In their working they show by practical illustration the supreme value of character and honesty, even in the small branches of the business of life. They have already given many a poor man the first start in the battle of life, which makes ultimate victory a possible thing, and are deserving the practical support of all those who aim at making Ireland prosperous.



LATIN AMERICA

IN the century that has passed, the development of North America has, on the whole, proceeded faster than the development of South America; but in the century that has now opened I believe that no other part of the world will see such extraordinary development in wealth, in population, in all that makes for progress, as will be seen from the northern boundary of Mexico through all Central and South America.—*Theodore Roosevelt.*

THE BANKING SYSTEM OF MEXICO.

By Charles A. Conant.

THE recent monetary history of Mexico is of peculiar interest, because the government has not hesitated to adopt, both in banking and in coinage, constructive policies differing in some respects from those of most other nations, but based upon careful study of general economic principles as adapted to the special conditions prevailing in the republic. Mexico was almost without banking and monetary organization prior to the second election of President Diaz in 1884 and it is due largely to his foresight and constructive ability that she has been dowered with both within less than a generation.

Early Banking Establishments.

Before the revision of the Commercial Code in 1884 there had been no general banking law in Mexico and such banking institutions as did business there represented, not only foreign capital, but foreign management. Prior to 1864 such banking as was carried on was done by large commercial houses having foreign relations and often took the form of hazardous speculation. In 1864 came the first real bank in the form of a branch of the London Bank of Mexico and South America. This institution entered Mexico without authority or special privileges, and, while it was subjected to many attacks, it succeeded by the conservatism and soundness of its operations in introducing to a limited extent the use of bank-notes.[1] In 1881 a concession was granted by Congress to some French bankers for the foundation of a bank of issue, which began business in 1884 under the name of the National Bank of Mexico and engaged to perform the banking business of the government. The capital at the foundation was $8,000,000, of which forty per cent. was paid up.[2] The National Bank encountered violent competition from the Mexican Mercantile Bank, which sprang into being without special concessions and continued in business until 1893, when it was absorbed by the National Bank. This fusion was brought about by pressure from the government, and the capital of the National Bank was increased to $20,000,000.

The revision of the commercial code in 1884 provided against the further creation of banks without concessions from the government and limited the right to accord such concessions to the Federal authorities. Those banks already in existence, including several in the State of Chihuahua, were recognized as having certain vested rights and were afterwards referred to as the chartered banks in distinction from the banks which were given exclusive privileges in the states in which they were established. The regulations of 1884 were derived in part from the American law, and required the circulation to be guaranteed by a deposit of money or securities of the public debt to the amount of one-third of the notes. The defects of this system were soon rec-

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1 Favre, Les Banques au Mexique, 9.

2 The unit of value in Mexico is the peso or dollar, which before the decline in silver bore to the American silver dollar the proportion of $1.012 in value. As the value of silver bullion declined, the gold value of Mexican coins declined, approximately pari passu, until the monetary reform of 1905. Values herein given in dollars represent a corresponding number of Mexican pesos, without regard to fluctuations in their gold value.

ognized and a more scientific and complete code was substituted.[3]

COMPREHENSIVE CHARACTER OF THE LEGISLATION OF 1897.

It was by the law of March 19, 1897, that uniformity was brought effectively into the banking organism of Mexico and a system adopted conforming, in the opinion of the government, to the diversified needs of the country. The law was one of the results of the constructive policies adopted by Senor J. Y. Limantour, who became Minister of Finance in 1893, having for their aim the erection of Mexico into a modern commercial state. Three classes of incorporated banks were recognized by the new legislation,—banks of issue, mortgage banks, and banks especially designed for loans to agriculturists. Only the first class concerns us here, except to note the fact that Senor Limantour recognized the principle that banks issuing notes should deal only in short-term paper, while the mortgage banks were authorized especially for the purpose of issuing obligations for those enterprises which required time and the permanent investment of capital for their development.[4]

The principle of monopoly of issues was rejected, because it was in conflict with vested rights and because of the diversity of interests in different parts of Mexico. In the place of a central bank of issue the foundations were laid for a qualified monopoly in each of the thirty states of the republic, by giving to the bank first created in the state advantages over later competitors. Capital, dividends and instruments of credit issued by such a bank were to be exempt from all taxes, federal or local, except the stamp tax, and even the latter was not to exceed five centavos in any case for the privileged banks, while it might be much higher for all others. These later comers in states already having banks of issue were subject not only to all local and federal taxes, but were required specifically to pay

3 Senor Casasus, who wrote the masterly report upon which the law of 1897 was based, declared that "the very worst system under the empire of which banks of issue can be created is without doubt the American system, because it has made the state the sole body which issues notes and because it has provided the public debt as their guaranty."—Les Institutions de Credit, 189.

4 Favre, Les Banques au Mexique, 20.

two per cent. annually upon their capital.[5] Finally, it was prohibited to any bank to establish branches outside the state where it was established without special authority from the ministry of finance.

The notes of the Mexican banks are a first lien upon their assets, after claims of the government and certain obvious legal exemptions.[6] The assets of the banks are left in their own custody, but subject to certain requirements as to their character and as to reserves held. In the revision of 1897 Senor Limantour definitively rejected the principle which had been adopted from the American law in the code of 1884, that the reserve of one-third against circulation might consist of money or securities. Conscious that the financial fate of the country should not be linked with its political disturbances, he said:[7]

"What would be the influence of such a deposit [of securities] upon the credit of a bank in a case where, in consequence of the vicissitudes of policies domestic or foreign, the securities of the state should precipitately decline? Would it not enhance rather the intensity of the evil, by the fall in the value of the guaranty at the very moment when the general crisis paralyzed transactions, when cash disappeared, and payments were accomplished with difficulty?"

Convinced of the soundness of this view, Senor Limantour required the banks by the new law to maintain actual cash to the amount of fifty per cent.; but he went farther than to require it against circulation alone and required it against the aggregate of outstanding notes and of deposits payable on demand or within three days. The deposits, as interpreted by Mexican law, did not, however, include the current accounts opened in favor of clients and carried to their credit. The issue of bank notes was permitted under these conditions to the amount of three times banking capital. If circulation should exceed this limit the bank would first be warned to cease advances until the proper ratio of circulation should be restored and if after forty-five days, at the maximum, conditions should continue contrary to law, the concession of the bank would be forfeited.[8]

The minimum capital of a bank of issue was fixed by the law of 1897 at 500,000 pesos ($250,000) and it was provided that the privileges granted by the law should terminate after thirty years. The notes of the Mexican banks are not legal tender and are redeemable in coin on demand at the office where they are issued. The maximum period of discount allowed to the banks of issue is six months, and paper discounted must bear at least two signatures.[9] The system of discounting commercial paper is not, however, widely in vogue in Mexico. It is replaced by a system of advances to the client of the bank, upon the deposit of the paper as security, and these advances are often made for nine months or a year.[10] The banks are required to publish their balance sheets monthly in the Official Journal, and the form in which the various items shall be stated is carefully prescribed. They are also subjected to a comprehensive sys-

5 The New Banking Law of the Republic of Mexico, Articles 121-129. The exemptions were only for twenty-five years from the date of the law.

6 The New Banking Law, Art. 25.

7 Favre, 40.

8 The New Banking Law, Art. 24.

9 The extension of the reserve requirement to deposits and the lengthening of the term of the commercial paper held are represented by Senor Casasus as mutual concessions. He says regarding the six months limit for paper that "the commercial customs of the republic are not in this respect like the European practice, which has served as a standard to the economists who have studied the mechanism of banks of issue."—Les Institutions de Credit, 490.

10 Favre, 45.

tem of inspections, which in 1904 was placed under the direction of an inspector general.[11] Ten per cent of profits is required to be added annually to the surplus until one-third of the capital is attained.

The execution of the law of 1897 was contrary to the privileges of the National Bank of Mexico, which included the pledge of the government that it would not permit the creation of additional banks of issue. Negotiations took place, however, which led the bank to waive this privilege and in addition to increase its advances to the Treasury from 2,000,000 to 4,000,000 pesos, to reduce from two to one and three-quarters per cent. the commission charged upon the Treasury service, and from two per cent. to one per cent. the commission for the service of the debt. In return for these concessions, it obtained an extension of its charter for fifteen years, carrying it to 1949, and the suspension for ten years of the right of the Mont de Piete to issue certificates of deposit or bills payable to bearer.[12] With branches scattered all over Mexico, which were not interfered with by the new law, and retaining the function of banker for the state, the National Bank continued to be one of the most potent organs of foreign investors in Mexico, and in 1906, under the stimulus of the adoption of the gold standard, was able to increase its capital by 17,000,000 pesos.

Another organ which grew logically out of the new order of things, and which has done much to bring about harmony and co-operation between the banks, was the creation in February, 1899, of the Central Bank of Mexico, (Banco Central Mexicano.) It was the purpose of this bank to afford a means of union between the scattered state banks and incidentally to facilitate the clearing of their notes and other obligations. To this end it was provided that a state bank which wished to avail itself of the privileges offered by the Central Bank should subscribe at least one-tenth of its capital to the capital of the new institution. As it was not intended to preclude the subscription of capital from other sources, the shares were divided into two classes, those held by the banks, which could not be alienated, and those of private shareholders, which might be converted into the former class when deposited for that purpose by a bank.[13] Under the contracts made with the local banks, each local bank maintains an account with the Central Bank, which may be in favor of the local bank or against it. Different rates of interest are charged or paid under different conditions. The Central Bank buys bills from the local banks to the amount of the credit which has been granted them, but may refuse those which it considers unacceptable. The Central Bank and the local banks aid each other in making collections, and the Central Bank represents the local banks in dealing with the federal government. Special provision is made for unusual pressure upon any bank in the system. As soon as an appeal is received on this ground, the Central Bank telegraphs immediately to the other banks, who are bound to create at the Central Bank a fund equal to fifty per cent. of the capital of the threatened bank, but not in excess of two per cent. of the capital of the contributing banks. This fund is employed in buying at par the bills of the threatened bank, which pays for the amounts advanced at the rate of twelve per cent.

The Adoption of the Gold Standard.

The work of putting the banking system upon a modern basis had hardly been achieved when Senor Limantour turned his

11 Favre, 33.

12 Favre, 61. It was declared in December, 1907, by the Minister of Finance that, "The importance of the role played by the National Bank in our system of credit as a reserve bank is becoming daily more manifest, as is also the fact that its large cash holdings and its conservative policy afford the most solid guarantees to the business interests of the country."—Budget for the Fiscal Year 1908-09, 15.

13 Favre, 64.

attention to the subject of the metallic standard. Mexico had been upon the silver basis from the times of the Spanish conquest and its standard coins had found their way through the gateways of Europe and the Philippines—which was at one time an appanage of Mexico—into China, Japan, and most of the countries of the China Sea.[14] But the gradual fall in the gold price of silver, accentuated in 1902 by the lowest level ever touched by the metal, convinced Senor Limantour and his advisors that Mexico must follow other advanced nations onto the gold basis. The public finances were deranged by the fall of silver, because much of the foreign debt of the country had been contracted in gold and the import trade had been reduced almost to gambling because exchange with gold countries had become so fluctuating. More important still was the effect of the fall of silver and its incessant fluctuations upon the earnings of the railways and in the refusal of foreign capital from gold countries to embark in the extension of the railway network or in other Mexican enterprises. While many local enterprises profited after a fashion from the rise in exchange, the railways were governed by official rates, which the government only tardily, in 1902, authorized them to change.[15]

The Commission on International Exchange.

Confronted by these conditions, Minister Limantour obtained the approval of President Diaz for the appointment of a monetary commission to investigate all phases of the subject of the metallic standard.[16] While this commission was at work in Mexico, beginning in the spring of 1903, another step was taken by the Mexican government, designed to secure a certain degree of international cooperation in establishing more stable exchange between other silver-using countries and gold standard countries. Notes substantially identical in language were addressed in January, 1903, by the representatives of China and Mexico to the Government of the United States, asking the aid of the latter in presenting the subject to those governments having commercial and territorial interests in the Orient. It was pointed out that the imports of certain silver-using countries reached a total of $574,627,323 (in United States gold coin) and that "The problem of securing relative stablity of exchange between the gold and silver countries is one whose importance is not limited to silver countries, but comes home with force to all those gold-standard countries which are seeking markets for their products in silver countries and are

14 Casasus maintains that the amount of Mexican coin reaching the East by way of the Philippines did not go beyond an annual average of $1,000,000, but that in colonial times the coins first went to Spain and then flowed to the East "through three principal highways: firstly, trade with the Levant, Egypt and the Red Sea; secondly, maritime commerce with the great Indies and China; and thirdly, Russia's trade with China and Tartary."—Currency Reform in Mexico, 339.

15 The companies obtained the right to increase rates by fifteen per cent. when exchange on New York was above 220. Viollet, 82. Although gross earnings of all Mexican lines had increased from $22,220,191 in 1893 to $40,853,981 in 1900, net earnings per mile in gold had fallen off. In the case of the Mexican Central net earnings per mile in 1893 of $1,498 (gold) had declined in 1901 to $1,029.—Casasus, Currency Reform in Mexico, 215-17.

16 President Diaz was at first reluctant to take up so far-reaching a subject, feeling that the many constructive measures which he had carried out for the benefit of his country entitled him to a certain degree of repose in his declining years; but was finally persuaded by Minister Limantour and Mr. Enrique C. Creel to take the initial steps.

seeking the extension of their trade in the Orient."[17]

The government of the United States responded favorably to this appeal and President Roosevelt, under authority of Congress, appointed a commission of three members to co-operate with a commission appointed by Mexico to present the subject to other governments.[18] These commissions visited successively London, Paris, the Hague, Berlin, and St. Petersburg, where they conferred with commissions appointed for the purpose. The result of the American mission was an agreement between representatives of all the governments visited—those of Great Britain, France, The Netherlands, Germany, and Russia—which was well expressed by the first resolution adopted at London:[19]

"That the adoption in silver-using countries of the gold standard on the basis of a silver coin of unlimited legal tender, but with a fixed gold value, would greatly promote the development of those countries and stimulate the trade between those countries and countries already possessing the gold standard, besides enlarging the investment opportunities of the world."

There was not absolute agreement among the various powers in regard to the best means of reaching this result, but in most cases it was agreed that the ratio of 32 to 1 should be adopted as the relation between the gold standard and the new silver coins. This fundamental resolution was an indorsement of the principle of the gold-exchange standard. Not much more than a moral effect was anticipated by the government of Mexico from the efforts made abroad. Public opinion was still sensitive in the United States, and to some extent in Europe, against international bimetallism, for which the United States had made their last abortive effort in 1897.[20] It was ex-

17 Commission on International Exchange. 1903. 39.

18 The members of the American commission were Hugh H. Hanna of Indiana; Charles A. Conant of New York; and Professor Jeremiah W. Jenks of New York. The members of the Mexican commission were Enrique C. Creel, President of the Banco Central; Luis Camacho, financial representative of Mexico in London; and Eduardo Meade of San Luis Potosi.

19 Report of the Commission on International Exchange, 1903, p. 141.

20 Vide "Statement respecting the work of the Recent International Bimetallic Commission," by Senator Wolcott of Colorado. in United States Senate, January 17, 1898. It was then proposed to the government of British India that it should retrace the steps of 1893 by again opening its mints to free coinage of silver, but this was met by

pressly declared, therefore, in both the Mexican and Chinese memoranda to the United States that it was not the expectation or the wish "that the gold standard countries should take any action tending to impair their monetary standard or to make material changes in their monetary systems."[21] One of the objects sought, however, was to bring about greater regularity in the purchase of silver bullion by different powers, when required for coinage purposes, in order to diminish fluctuations in exchange with silver countries. The soundness of this policy was recognized by the British Government and was afterwards adopted on a large scale in purchases of silver for India.

While the Commission on International Exchange was pursuing its mission in Europe, the commission appointed to study the subject at home continued its inquiries through several sub-committees. The fourth sub-committee, which was charged with analyzing the effects of the fall of silver, reported in favor of a system of stable exchange for Mexico at a ratio of 33 to 1. The full commission held its final sitting on February 10, 1904, and in its report recommended the adoption of a system based on the gold standard. They did not advise the adoption of a gold currency, but a system which would keep silver in circulation in quantities as large as possible without impairing the maintenance of the ratio with gold which might be adopted. To these ends it was recommended:

(1) That the mints be closed to the free coinage of silver, and that the reimportation of Mexican pesos be prohibited after proper delay.

(2) That a ratio be established between gold and silver based upon the average gold price of silver for the preceding ten years, which should not be raised more than ten per cent.

(3) That gold should not at first be coined for either the government or individuals, but that such coinage should be deferred until the new coin should have attained parity with gold and when in the opinion of the government the circulation of gold would not impair the maintenance of this parity.[22]

A project for carrying out these ideas was presented to Congress by Minister Limantour November 16, 1904, and became law on December 9, 1904. This law declared that the present silver coin, containing 24.4391 grams of pure silver and 2.6342 grams of copper should continue to possess full legal tender powers, but that it should have a value equal to 75 centigrams of pure gold. The issue of money of all kinds was reserved to the executive, who was also clothed with authority to forbid or tax the importation of Mexican pesos into the republic; to continue coinage of old pesos for export; to modify the form of the peso; to authorize the circulation for a limited time of the gold money of other nations; to modify the mining laws by reducing the charge of two per cent. upon coinage, the stamp tax of three per cent., and the charges for assaying, smelting, and refining; to modify the taxes on mine titles and various local taxes; to exempt machinery from import duties; to arrange for advances upon silver bullion and for its sale under favorable conditions at home and abroad. and to create a commission for the purpose of maintaining stability of exchange, to which should be confided a special fund to be created by the executive and such powers as the executive thought proper.

a "unanimous and decided opinion" on the part of the government against such action. —Commission on International Exchange. 1903. 303.

21 Commission on International Exchange, 1903. 45.

22 Commission on International Exchange, 1904. 419.

Sweeping as these measures were, they indicated a certain division of opinion as to the effective steps required for maintaining parity. Although Mr. Creel, chairman of the Commission on International Exchange, had urged that exchange funds should be established in New York and Europe, and had upon this point been vigorously supported by members of the American commission, he was overruled by the majority of his associates.[23] Minister Limantour accepted in a tentative way the view of the majority that the appreciation of the silver peso to gold parity could be brought about by scarcity, but by the institution of the commission on money and exchange was the view recognized that something more than scarcity must be relied on to maintain permanently, under all the conditions of international trade and the money market, a parity once attained. It will be seen in the sequel that while events moved propitiously for the achievement of the reform, the work of the exchange commission attained an importance which contributed much to assure this success.[24]

THE RISE IN SILVER AND ITS INFLUENCE.

The event which contributed most to allay doubts and to permit the government to advance from the ground of experiment to that of accomplishment was the rise in the price of silver bullion. The hiatus in the demand for the metal which had carried its price down to 21 11-16 pence in December, 1902, and January, 1903, was at length passed, and during the period from April, 1903, to the beginning of 1905 silver moved slowly, but almost uninterruptedly, upward.[25] In January, 1905, the London price was 28 3-8 pence—an advance of nearly one-third over the low point of 1903. On March 25, 1905, therefore, although silver had then receded to about 26 pence, the new gold standard was put into effective operation. A step towards the policy of India was introduced into one of the laws now promulgated by the provision that henceforth, except for recoinage, new silver money should be issued only in exchange for gold coin or bars at the legal parity. It was wisely provided that this exchange of silver for gold shoula cease to be obligatory when silver rose above the legal parity.

In spite of Senor Limantour's confidence in scarcity as a means of bringing about parity, a fund was constituted by Section

23 Considerable divergence of opinion existed even among the advocates of an exchange fund as to just how it should be constituted. Senor G. Raigosa supported substantially the plan recommended by the present writer for the Philippines and quoted copiously the criticisms of the Indian policy of relying upon scarcity to raise the value of the coin. Senor Casasus believed it would be necessary to negotiate a considerable foreign loan, but all three subscribed to the declaration that "A stock of gold, whether in circulation or held in deposit, owing to the fact that it consists of exportable coins, is the only guaranty for the stability and safe operation of a monetary regime based on the artificial elevation of the value of a coin due to the suspension of free coinage." Vide Commission on International Exchange, 1904, 352-390.

24 Viollet, while pointing out the difference between the attitude of Senor Limantour and the present writer on this subject, intimated that Senor Limantour may have had for his attitude a motive which was unavowed. Le Probleme de l' Argent et l'Etalon d'Or au Mexique, 199-201.

25 Vide Report of Commission on International Exchange, 1904, 28.

27 of one of the new laws, called "Fund for the regulation of the monetary circulation," with the avowed object of facilitating the adaptation of the monetary circulation to the requirements of stability in foreign exchange. At the same time (April 3, 1905) a commission of money and exchange was created and a fund of 10,000,000 pesos was placed under its control, deposited in part at the National Bank of Mexico and in part at the other principal foreign banks. These funds were destined to support exchange by enabling the commission to buy or sell gold drafts according to the state of the market.[26]

The work of the commission was given an entirely different direction from what was expected by the continued rise in the price of silver bullion, and by the close of 1905 Mexico was not only firmly established upon the gold standard, but was beginning to import gold in payment for her exports of silver. Up to the year 1904 exchange on New York had fluctuated in harmony, more or less exact, with the market for silver bullion. During the latter half of 1904, however, this exchange became practically fixed at $2.16 in Mexican money for $1.00 in United States gold.[27] The reason was in part the rise in silver, but was also in part the known purpose of Mexico to establish soon the relation of two to one. With the further rise in silver in 1905, which carried the average London quotation for the metal to 27 13-16 pence for the year, and to a maximum of 33 1-8 pence early in 1900, it became no longer a question of maintaining the value of the silver coins, but of keeping them down to the gold value fixed by law.

The first importations of gold were encouraged by the government, in order to enable the banks to diversify their reserves, but before the close of 1906 the golden stream had become a torrent and silver coins were freely exported because the market price of their bullion contents was above their legal value in Mexico. The cash holdings of the banks were $74,035,198 (Mexican currency) in July, 1905, and were almost wholly in silver. By January, 1905, the amount had fallen to $65,613,995 and of this amount $15,832,840 was in gold. By June, 1906, total cash holdings had recovered to $72,231,513, and of this amount $42,381,837 was in gold and only $29,849,676 in silver. Exports of silver from Mexico for the sixteen months ending with October, 1906, were $55,608,823, and the coinage of gold was $51,606,500.[28] The fear spread that the country would be denuded of the stock of subsidiary silver necessary to do business, and in the autumn of 1906, an export tax of ten per cent. was imposed upon the amount of silver coins sent abroad without the importation of an equivalent amount of gold.[29]

Fortunately the new monetary law, while leaving the old silver peso unchanged at 27.03 grams, provided for subsidiary silver coins both lighter in weight in proportion to their legal value (25 grams to the peso) and with a fineness of eight-tenths in pure silver instead of 0.902.[30] This left a margin betwen the face value and bullion value of the coins which precluded the profit which was found with the old pesos in exporting them for sale in the London silver market. The policy pursued by the government, therefore, was to refrain entirely from the coinage of pesos and to endeavor to fill the channels of circulation with gold, bank paper, and subsidiary silver. To this end, in December, 1905, the issue of gold certificates was authorized against deposits of bar gold and foreign gold coins. Every effort was made also to increase the coinage of subsidiary silver, until at the end of November, 1907, the amount coined in about two years and a half in pieces of 50 centavos was $26,186,619, and in smaller

26 Viollet declares that this "completed in a happy way the reform, which could not have been accomplished if it had been founded exclusively on the scarcity of money." Le Probleme de l'Argent au Mexique, 202.

27 Commission on International Exchange, 1904, 29.

28 Financial Documents, December, 1906, 7.

29 Bulletin de Statistique, January, 1907, LXI. 120.

30 Decree of March 25, 1905, Bulletin de Statistique, May, 1905, LVII. 560.

pieces $5,499,923.[31] It was calculated that the total exportation of Mexican silver coin since May 1, 1905, had reached in October. 1907, the sum of $85,956,202,[32] but this had been offset to the amount of about $75,000,000 by the coinage of gold, which was finding its way into general circulation. By June 30, 1908, gold had become the predominant element in Mexican bank reserves and silver had fallen to a purely subordinate position, for of total metallic reserves of $76,696,893 gold constituted $52,788,145; the old silver pesos, $17,763,545; and subsidiary money, $6,145,203.[33]

Influx of Foreign Capital.

Under these new conditions the banks and the country at large prospered greatly. The current of foreign capital, long restrained by the uncertainties of exchange, turned heavily in the direction of Mexico. Banking capital increased from $98,150,000 on June 30, 1903, to $176,100,000 on June 30, 1908, and the total assets of the banks from $379,525,207 to $756,522,309. It was officially estimated at the close of 1906 that new capital had entered the country to the amount of $86,500,000 without taking account of many smaller industrial enterprises.[34] Railway earnings increased from $50,500,000 in 1903 to nearly $57,000,000 in 1905.

If there was anything to be feared from this great accession of prosperity, it was the over-expansion of credit, and against this Minister Limantour put himself from the first on guard. The crash in the United States in the autumn of 1907 was not without its reaction upon Mexico. As a result, the minister issued a circular on February 10, 1908, in which he cautioned the banks against unsound loans, and invited them to a general conference in April. Out of these precautions grew the law of June 19, 1908, which imposed special restrictions upon banks of issue and upon other banks. The period within which new charters might be granted to banks of issue was extended to March 19, 1922, but no bank was to be created in future with a capital of less than $1,000,000. The business permissible to such banks was more carefully defined than before, among these prohibitions being a loan of more than ten per cent. to a single person or corporation.[35]

The total resources of Mexican banks of issue on June 30, 1908, were $613,311,843. Of this amount the National Bank absorbed $297,641,627; the Bank of London and Mexico, $88,707,198: and the Banco Minero of Chihuahua, $18,524,599, leaving to the other twenty-seven banks about $208,000,000. The Banco Central, though not a bank of issue, had resources of $79,144,320. The progress of Mexican banking in recent years is indicated in the accompanying table.[36]

ACCOUNTS OF MEXICAN BANKS.

June 30.	Capital.	Notes. (in pesos = $0.498)	Metallic Reserve.	Current Accounts.
1898	$48,500,000	$52,810,404	$41,289,356	$57,927,343
1900	69,600,000	65,937,617	56,594,183	92,837,097
1902	83,300,000	77,466,988	62,920,114	111,955,202
1904	109,450,000	82,989,221	63,921,414	195,712,838
1906	146,600,000	97,134,976	72,231,513	258,434,271
1907	162,600,000	98,470,528	68,647,861	323,934,957
1908	176,100,000	92,253,293	76,696,893	342,204,821

31 Financial Documents, December, 1907, 17.

32 Le Marche Financier en 1907-08, 711.

33 Official returns furnished by the Minister of Finance.

34 Financial Documents, December, 1906, 10.

35 Bulletin of the Bureau of American Republics, August, 1908, XXVII., 386.

36 From the Boletin de Estadistica Fiscal, 1907, 146-49, and special reports.

PANAMA FISCAL CONDITIONS.

GEORGE T. WEITZEL, American charge d'affaires at Panama, in sending the following salient features from the report of the secretary of treasury of Panama to the National Assembly of that Republic, says that 1 balboa of Panama currency is equal to $1 American currency:

During 1907 the imports from the United States amounted to $5,196,964, and from elsewhere, $4,367,486, making a total of $9,564,450. To this should be added goods imported by the Isthmian Canal Commission and not paying duty, $13,468,359. The exports aggregated $1,960,665, 70 per cent. of the total being bananas.

The revenues of the Republic, principally customs duties and excise taxes, during 1907 amounted to $2,439,302. Concerning the expenditures, the secretary states: "My estimate of expenditures of $2,433,866 per annum reaches those figures; and as the Republic of Panama has no war budget, happily, nor foreign nor internal debt, it will soon have a surplus if we keep within the present estimate." The assets of the Government are as follows:

Interest-bearing securities, etc., deposited in New York	$6,300,000
Current account in New York	1,505,307
Funds in government treasury	55,390
Deposited in government bank	250,000
Total	$8,110,697

INDUSTRIAL BRAZIL.

FIGURES recently published by the government gazette indicate that substantially one-third the entire industrial capital of the country is invested in cotton mills, while the total annual output of manufactories of all kinds is less than imports of foreign goods.

There are 2292 establishments, having 123,931 employes, representing an investment of $162,818,700, with annual production of $186,633,300. The average investment in each establishment is $1313, and the average output $1505.

Brazil has 137 cotton factories, employing 41,018 persons. Capital invested amounts to $59,683,000. This total is thirty-six per cent. of the entire industrial capital of Brazil. These factories pay large dividends. Paulistiana, of Sao Paulo, for instance, pays about twenty-five per cent. a year. Exceptional factories, like Progresso, of Rio de Janeiro, pay more, this factory paying about twenty-two per cent. on capital trebled in a few years out of earnings, and something like sixty-six per cent. on original capital. The custom is to pay directors of such businesses well, and to carry large reserve funds. The entire business of cotton manufacture rests upon the exceedingly high tariff on cotton imports in Brazil.

BANCO DE GUANAJUATO.

ACCORDING to its statement of October 31 the Banco de Guanajuato, S. A., of Guanajuato, Mexico, had the following resources and liabilities:

RESOURCES.	
Cash	$648,603.06
Sight exchange	647,652.50
Discounts	2,100,517.04
Loans on securities	1,143,692.04
Mortgage loans	310,228.49
Current accounts, Cr.	871,200.00
Real estate	100,960.74
Furniture	30,755.76
Debtor accounts, impersonal	528,720.56
Other resources	373,100.96
Total	$6,755,431.15
LIABILITIES.	
Capital	$3,000,000.00
Reserve funds	118,793.67
Deposits	1,422,157.59
Circulating notes	1,092,780.00
Creditor accounts, impersonal	331,579.69
Other liabilities	790,120.20
Total	$6,755,431.15

Banco de Guanajuato, S. A., Guanajuato.

Officers of the Banco de Guanajuato are: Manager, J. P. Bustamente; cashier, J. A. Septien. The bank has branches at Irapuato, Guadalajara and Zamora.

GENERAL NOTES.

—Consul F. W. Goding, of Montevideo, advises that preparations for taking the national census of Uruguay are proceeding actively. He writes:

It is stated that from 40,000 to 45,000 persons will be engaged in the task, which

works out at about one person in every twenty-five of the population of the Republic. This large proportion is found necessary owing to the very scattered character of the population in certain parts of the interior, where there are only two or three inhabitants to the square mile and long distances to be traversed.

—Honduras is to have a new $1,000,000 bank. This gigantic institution, backed by A. J. Moisant, who owns the National Bank of Salvador, has already been organized, secured its papers from the Government and began operations Dec. 1.

The bank will be a rather unique one. With headquarters at Tegucigalpa, it will have branches in every town and hamlet of the Republic, more than twenty in number. Each of these will be authorized to transact a regular commercial business by means of telegraph to the head concern.

Two hundred and fifty thousand of the capital will be deposited when the concern opens its doors, and the other $750,000 will be added at fixed periods for about a year.

Honduras has but one real bank to-day, the Hondurean Bank, and this devotes itself largely to the lending of money, and pays little attention to regular commercial transactions. As a result, people all over the country are compelled largely to keep their money in individual safes, or hidden about their homes, where it naturally runs a great risk of being stolen.

To the crude methods now in vogue Mr. Moisant attributes in a large measure the deplorable financial condition of Honduras to-day. "With banks in operation all over the country," he declares, "a greater feeling of security would prevail, money would not be tied up as it now is, and merchants and all other interests would be benefited. I believe that the establishment of the National Bank of Honduras will be one of the greatest things for the Republic in years."

Mr. Moisant has not asked for stock subscriptions to aid in putting the institution on its feet. The entire amount of money needed has been furnished by himself and those affiliated with him.

A LETTER THAT WAS NOT SENT.

W—— E——, Pa., Oct. 30, 1908.

To the Hon. Lawrence O. Murray, Comptroller of the Currency, Washington, D. C.

Dear Sir: When you called the bank examiners together and gave them a bracing up talk and told them to get into the game with more vigor and to play their positions as though they understood them, to quit fumbling and to listen to the signals, we were mightily pleased.

We also jumped at the chance to tell you how the examiners had treated us, when you asked us for our opinion.

But we sort of caught our breath when we read that a list of questions would be prepared for the examiners to ask our directors. We hardly hoped to see a copy of them before the examiner arrived, but now that they have come we are pondering them and wondering.

Our directors are as good as the average, but we know that they would fail on this examination if it was given them to-day. At first we thought of giving each director a list of these questions and let each prepare himself for the ordeal. On reflection we realized that if we did that half of the board would resign instantly.

It seemed best then to coach them and to bring them up to the standard required that we might prevent the demoralization that would follow a wholesale resigning. As a preliminary step we ordered several copies of John J. Crawford's little book, "Bank Directors, Their Powers, Duties and Liabilities." We are busy studying this text now. We also sent to the Department for extra copies of the National Bank Act.

Our attorney has arranged a series of lectures based on the questions we have seen. We hurry through our board meetings now and devote a half hour to the questions and how to answer them. But our directors are nearly all over fifty years of age and their student days are past. But they are trying hard to acquire the knowledge. Two or three that are sixty or seventy feel that it is useless and want to resign. We will hold them if we can.

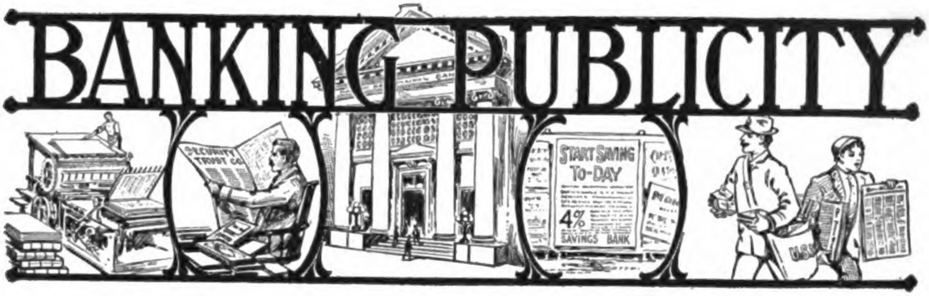
The younger ones have been in the bank a good many times of late and are trying to understand all the details. They say they want to do it now before the Christmas rush comes on as they will then have to attend to their business. Two have reported that they missed good business deals by being so absorbed in their bank work, but the sacrifice was made cheerfully, although times are not the best around here.

We have faith in your intentions and trust that everything will work out all right, but we wish it had come more gradually, or that the laxness of the past had never existed.

We might escape all this trouble by being converted into a State bank, but we will try to hold out as we are unless there are too many resignations.

Resignedly yours,

Abel Adam, *Cashier.*



THIS department is for the benefit of those interested in promoting the business of banks, trust companies and investment houses by judicious advertising. Correspondence is desired. The purpose is to make this department a clearing house for the best ideas in financial publicity. Send inquiries, suggestions, information concerning results of various methods and campaigns, and samples of advertising matter for comment and criticism, to T. D. MacGregor, Manager, Publicity Department, Bankers Publishing Co., 90 William Street, New York.

THE UNBEATEN TRACK.

The Story of a Bank Which Tried New Methods.

By B. C. Bean.

I.

THE directors of the Consolidated National had finished their checking and verifications. The heavy work done, that self-satisfaction which marks an arduous task all but finished began to manifest itself. The finances of the institution were on a satisfactory—a more than satisfactory basis—just as they had always been and always would be. But this new venture—this campaign for business—what of that? Had the Consolidated National made the one error of a long unblemished career?


"Advertising is no wonderful cure-all that can take the place of right methods inside the business."

As Weston faced the different men, in whose minds surged these questions, and in whose wills were vested the policies of the institution, he realized for the first time, fully, the inadequacy of any traditional means that could be made to picture conditions as they were. No eloquence could depict, no statistics could give, the rounded-out concreteness with which a great bank touches the lives of a people;—

But the Vice-President was speaking. In tones studiedly dispassionate he was outlining in brief the situation. After some years of discussion, the Consolidated National decided, some three months ago, to try advertising. Mr. Weston, experienced in commercial publicity methods, had applied those methods to finance—to the affairs of the Consolidated National. The results had been formulated. They were accurately shown in Statement A, Expenditures; and in Statement B, Receipts. Mr. Weston would address the Board.

Weston vaguely felt that this introduction, because of its colorlessness—its careful lack of commendation—verged on the

unfair. It was too much like setting a man to fight an adversary whose temper was not known. Was the consensus of opinion of the board for or against him? It was with this doubt in his mind that Weston rose to speak.

"Gentlemen, the results of the past advertising campaign of the Consolidated National must have been, on the whole, either satisfactory or unsatisfactory to you. While it is usurping somewhat the prerogatives of our chairman," Weston bowed towards the Vice-President, "yet I would like, before going into detail, to hear from you, gentlemen, as to how the campaign has seemed to you. Some of you no doubt followed it closely; others have not paid much attention to what we were doing; while others must have noted some features which are either to be approved or condemned.

Almost before Weston had finished speaking, the President was on his feet.

"It does not matter what the opinion of the various members of the directorate may be. Results are results and speak plainer than any words. The figures show that the expenditures for a six months' advertising campaign have been such, when compared with the amount of business secured, as to overshadow completely the returns. There can be but one opinion and it would seem—er, charitable—to waive the designation of that opinion.

"But, it is no more than fair that Mr. Weston know the sentiment of this meeting before he speaks. The Consolidated National feels, through its officers, that the experiment has been worth while as it has demonstrated, for once and for all, the status that publicity occupies as regards the institution."

Weston saw that he must act quickly in order to get any hearing at all. So, almost before the President had ceased speaking the younger man had begun his impetuous address.

"Gentlemen, I want to put myself on record here and now that you are doing the thing which is the rightful prerogative of an untrained mind—drawing a conclusion not warranted from the facts, because there happens to be a coincidence.

"Now, if you, each and all, are not open to conviction—if you are not willing to listen to evidence, no matter how distasteful that evidence may be; if your minds are unalterably made up as you want them to be made up, there is no use of my taking up the matter with you further.

"But I have evidence here," Weston held before them a number of closely typewritten sheets which he had just drawn from his pocket, "evidence which will be of interest to you no matter what your opinion on advertising may be or may not be.

"Some two weeks after I put out the first advertising matter for the Consolidated National I was struck by the fact that we were getting business, but that it did not seem to stick. So I had a number of friends of mine, not depositors of the institution, come to the bank as though in response to the advertising matter which had been sent out.

"Gentlemen, what were the results of these calls made by would-be depositors of ours? I cannot do better than quote minutely from the reports some of them gave.

"Mr. A., a depositor from out of town, came to our savings department through my recommendation and found that, though he had four hundred dollars in currency to deposit, the receiving teller of the savings department would not admit to deposit a check of some six dollars because Mr. A. was not formally identified. This meant that, at the time when the depositor should receive his best impression of the bank—at the time when he should be treated with the most courtesy and shown that this institution was here to do him good—he was made to feel that he was looked upon as a suspicious character; and his enthusiasm—enthusiasm kindled by our advertising matter—was dampened through wrong inside methods.

"Take the case of Miss B.: This young lady came with two hundred dollars to make a joint deposit in her name and the name of her mother. The receiving teller of the savings department, whose business it was to open her deposit, assured her that he had never heard of any such a thing; that it was practically impossible; that he did not believe it could be done. When she replied that she had known of this arrangement being made at other banks, the receiving teller was still not convinced, and made no active plea for her deposit. So she was allowed to go away with her money—supposedly to some other bank.

"Mr. C., a small business man of the city, a man who has never had a commercial bank account, but who has kept a small savings account, came in to make a deposit of several hundred dollars he had made in a real estate deal. He wished to open a commercial account, if by so doing it would enable him to borrow a few hundred dollars once or twice a year as he might need it. He was not directed by our savings teller to our cashier, nor was he given any information as to our methods of making loans. Had this been done, he would have become a satisfied, permanent commercial depositor, instead of a transient in the savings department.

"These are but three instances of a hundred or so which have come to my

notice since we began this advertising campaign. Now, gentlemen," Weston emphasized his words impressively as he looked around at the interested group, "it it not possible for the advertising man of a bank to hold the business. Your organization is for the purpose of doing that. Do not come to me and tell me—do not try to answer me—by telling me that there are certain rules which a successful financial institution must obey. There are. But there are also human units to deal with—men and women to be guided and educated—a personal force to hold, as well as a personal force to get.

"Take the case of Mr. A.; it would have taken but a moment for the receiving teller to have turned him over to our cashier, who would have satisfied himself in a few moments that Mr. A. was all he claimed to be, and to have sent him away a booster for this institution forever.

"The Receiving Teller did not believe it could be done."

"Suppose Miss B. were wrong in her interpretation of banking rules—which she was not—she should have been told the reasons for the decision of the Consolidated National not to take joint accounts under certain conditions. As it was, she reasoned, and rightly too, that we had given her a personal invitation through our advertising matter, to become our guest, and then had failed of the requirements of host, by refusing to accept her deposit.

"With Mr. C.—exactly the type of man that we wish to reach—there was a chance to cultivate a potential account, but that chance was lost because of defective inside co-operation.

"The skilled physician detects the presence of disease by a few marked symptoms. It is not necessary that these symptoms be violent; they might even be overlooked by a casual diagnosis. But, gentlemen, the disease is there just the same. Advertising is no mysterious process—is no wonderful cure-all, that can take the place of right methods inside the business. I—any good publicity man—can get you business, but you have got to hold it."

II.

Weston's vigorous defense had roused the board. Exclamations of applause and dissension ran 'round the table. Emphatically, the meeting was of divided opinion.

The Vice-President essayed an answer, but was interrupted by garrulous old Bennington on his right.

"Mr. Weston seems to think that the bank should abandon its regulations, and make any concessions that chance newcomers demand!" shouted Bennington irascibly. "If we can't get new business without revolutionizing the whole—"

"I say, *let's* revolutionize whatever *needs* it, if it comes to a choice between that and turning new customers away," contributed Judd, who had driven his own business to high triumph through sheer power of initiative.

But two or three of the directors were trying to speak at once. The chairman rapped imperiously for order, and Cathcart, the corporation lawyer, had the floor.

"Gentlemen, I think we have stumbled upon an issue that is vital to the welfare of the bank," he began. "I have often remarked a sort of arrogance in the manner in which such institutions, generally—not ours conspicuously, by any means—treat their clientele. Mr. Weston has offered evidence to show that business has actually been alienated by treatment of this kind. He may be wrong; the receiving teller may have been governed only by necessary discretion in declining to waive precedent. But we can soon find out. Let us request the receiving teller to come into the meeting, and in turn we will ask him such questions as prospective customers

might ask—putting ourselves, as it were, in the place of people who have been attracted by the new advertising campaign. We shall soon find whether the men who represent us are what Mr. Weston thinks them; that is, such sticklers for red tape that they lose sight of the bank's essential function, which is to accommodate the public in any reasonable way it can."

The plan was agreed on, and a messenger sent to bring Mr. Lloyd, the receiving teller, to the directors' room.

Lloyd came bustling in, wearing an air of repressed concern. He was a keen-eyed, sharp-featured little man, who had been years in the service of the Consolidated National. He had the manner of a man who is constantly alert to detect and circumvent some attempt at imposture.

Cathcart took the lead in the examining process. He blandly inquired whether, if he should come to the bank as an unknown depositor, he would be permitted to enter a joint savings deposit in the name of himself and his brother.

Lloyd's "certainly not," was positive.

"What would you say to me if I were to make the request?" pursued Cathcart. Lloyd paled a little under the battery of eyes that was focused on him from all sides of the long table. He wondered, privately, if the directors were quizzing him in belief that he didn't know his business.

"I should have to decline to accept the deposit, under the circumstances," he said.

"Such a thing as a joint deposit is unheard of—at least, very irregular—is it not?" said Cathcart in a tone of encouragement.

"Very! The proposition has never been made to me but once. Then a lady wanted to make such a deposit in the name of herself and her mother."

"When you told her it couldn't be done, did she decide to make the deposit in the usual form?"

"Why, no. She simply took her money and went away when I explained that such deposits as she had expected to make were not customary."

Weston could not repress a smile at the naivete of Lloyd's reply.

Higginbotham took up the inquiry at a nod from Cathcart. It developed, in the course of questions and answers, that Lloyd's regular attitude, toward patrons, even, was that of the Law toward the murder suspect. He thought he was creating a favorable opinion by demonstrating the stringency with which rules—even those touching getting money on deposit—were enforced at the bank. Unwittingly, he showed how little pains he was in the habit of taking to spare the feelings of patrons, in cases where there could be any question of the identification, validity or regularity.

It was now the Vice-President's turn in interrogating Lloyd.

He wanted to know if the receiving teller would stretch a technical point, to make a loan under certain unusual conditions, which he named. Lloyd answered emphatically, "No!"

"Quite right," replied his questioner. "The conditions named are such as would make the loan unpermissible. But what alternative proposition would you make me, if I were the man who had asked such a loan?"

"Alternative proposition?" The receiving teller was plainly at a loss.

"Certainly! You wouldn't turn the man down without trying to come to some understanding, would you? Couldn't you propose to accommodate him on some other basis?"

"Why, if he asked—" Lloyd was beginning, when the thump of old Bennington's fist on the table, startled everyone in the room.

"*Why, if he asked!*" sputtered the old director, with an attempt at sarcastic mimicry. "I can't help it, Mr. Chairman, if I do talk out of turn," he burst out irrepressibly. "I can't sit quiet and listen to this! Why, if the ten-dollar-a-week clerks in my grocery store wet-blanketed customers in that way, and didn't try to sell 'em something we *did* have when we didn't have just what they wanted, I'd throw the whole kit and caboodle out of doors in a hurry! I don't wonder new business don't stick when this ad-man gets it in here—A woman wants to make a joint deposit. 'No ma'am!' we tell her. We sit on her good and proper for even thinking of such a thing! *We* don't bother to show her how she can manage some other way just as well. *We* ain't got any use for her account at our bank!—A man comes along and wants us to help him. Able and willing to pay for it, too. We take and jump all over him, because his idea isn't just acordin' to our customary way of handlin' such deals. *We* don't think of offerin' to help him in some *other* way,—not unless he goes down on his knees and '*asks us!*' Say, is it time this bank woke up or not? I move we turn over a new leaf right here and now—and extend our thanks to the ad-man for puttin' us wise to the situation."

III.

Bennington has had his way. The Consolidated National has turned a new leaf. Now, as you enter its doors, even the watchman has a scrutiny of welcome. Your business is transacted by a smiling, accommodating official, who makes you feel that the bank exists for the express purpose of serving *your* purpose, whatever that may

be. Lloyd is still in his place at the receiving teller's window, but he meets newcomers with cordiality, and that "what-can-I-do-for-you" manner which instantly makes friends. He is sincere in it, too, for Weston has thoroughly converted him. He has come to believe that what banks are for is to serve the people, not to discipline them in the observance of everlasting technicalities and formal rules.

No longer is a single member of the banking staff supercilious in his treatment of the man who asks accommodations which the bank cannot extend. It's "can't we arrange it on such and such a basis," or "I have a plan that will suit us both better," instead of a blunt, uncompromising, humiliating "No!"

The shop-girl who comes, in response to the advertisement, to "see about starting a bank account," is treated at the Consolidated National as if she were as important a customer as a Gould or a Vanderbilt. Teachers, domestics and women of leisure are unanimous in their preference for "the only bank where the gentlemen take such pains to explain things"—and the bank that enjoys the preference of women never lacks the endorsement of men.

The Consolidated National is prospering as it never did before. New business is coming in a steadily increasing volume, and it comes to stay. Results have justified the directors in making Weston one of themselves, and giving him unlimited "leeway" in carrying out his elaborate plans for a continuous publicity campaign.

"Advertise and you will get business," is a maxim that needs to be qualified. It ought to be, "Advertise, and new business will give you a chance to show whether you're equal to handling it." The publicity director is successful only when "all hands" pull together to substantiate the impression which the advertisement creates.

WHAT WE HAVE LEARNED IN 1908.

A Resume of Points Brought Out in this Department During the Year.

By T. D. MacGregor.

ALTHOUGH no formal plan of instruction has been carried out, the various articles and suggestions which have appeared in this department during the past twelve months have formed a course of instruction in bank advertising—a course based on the results of the successful experience of ourselves and many others in this field of publicity.

For the benefit of our many new subscribers who did not have the opportunity to read all of the articles, and to summarize for other readers the points brought out during the year, we publish this month a resume of some of the main things which have been emphasized in this department of the magazine during 1908.

Object of Advertising.

The most successful advertiser is not the one who spends the most money, but the one who spends his money in the best way.

Therefore, it is important to consider what the object of advertising is and what is the best way to attain that object.

In brief, the object of a bank's advertising is to get more business, and this is accomplished by:

Familiarizing the public with the name and location of the bank.

Teaching the public what the bank does and how it can serve people.

Getting those who read the advertising to do something about it favorably and definitely.

But experience has proved that there is a difference in the relative value of various mediums, methods and kinds of copy.

Mediums.

Among the mediums of advertising a bank can profitably use are: newspapers, magazines, street cars, billboards, house organs, circulars, booklets, form letters, calendars, home safes, and novelties.

Newspapers are undoubtedly the most important medium for a bank's advertising, for the following reasons:

Their wide circulation. Practically everybody in the community who can possibly use the bank is a regular reader of at least one newspaper.

Their frequency and freshness. The newspaper comes fresh and new from the press every day, its damp ink carrying the latest news of its community and of the world. The advertiser should take advantage of the opportunity provided by the daily newspaper to present a brand new message or appeal every day, or, at least, the old message or appeal couched in new language, and to keep repeating his message continuously.

They go into the homes. Newspapers, especially the evening and Sunday papers, are read in the home. They are read by

the women, who are the money savers as well as the money spenders of the country. The advertisement in the home newspaper is read by the head of the household in his hours of leisure when his mind is receptive and he is most easily influenced by good advertising argument.

Standard magazines are a good medium for the advertisements of investment bankers and 4% banking by mail institutions. Some of them have very large circulations—from 300,000 to 1,000,000—and some of them, notably "Success," "World's Work" and "The Saturday Evening Post," have departments in which they publish articles of advice on investment matters. Only honest advertising is accepted by a high grade magazine. So that advertisers are assured of good company, and the confidence of customers is easier to get because of the fact that publishers protect their readers.

Street cars should be used by banks only as supplementary to newspaper advertising. The street car card serves as an effective reminder, but under ordinary circumstances, street cars alone would not be enough. They would probably prove more effective in the larger cities where practically everybody uses the cars twice a day than in smaller places where riding on the cars is not a daily necessity. Special advantages of street car advertising for banks are: Only high class advertising is permitted in the cars—no fakes or worthless patent medicine ads.; every advertiser has equal display; there is no waste circulation, as everybody who uses the cars sees the cards; women are especially likely to see the advertisements as they do not so generally have the habit of reading papers as men do while riding in the cars; there is good opportunity for artistic design and strong typographical display in the 11x21-inch street car card.

Billboards are being used effectively by banks in some of the larger cities, especially by the savings banks. The value of such advertisements depends upon their striking character and the location of the bulletin. The "circulation" of a billboard is the number of persons who see it daily. The best location is along a much traveled route, especially at a transfer corner of a street railway system, or near a suburban railroad's city terminal.

The house organ is a little periodical published in the interest of an institution and mailed free of charge to a list of customers or prospective customers. It is better than a circular, if well edited, because the fact of periodicity in its time of appearance and its bright and interesting make-up give it sufficient value to keep it out of the waste basket, for a time at least. It also gives ample room to tell the full story of the strength and services of the institution that sends it out.

Circulars are not very commonly used by banks except in the form of statement folders to be sent out to a regular mailing list or left on desks in the bank lobby. No bank should neglect the opportunity afforded by the printing of its statement to publish with it some new, interesting effective matter concerning what it has to offer the public.

Booklets are a very necessary part of a bank's advertising equipment and to be most effective they must be well written and printed. It is especially important that the cover be attractive, as to quite a large extent the fate of the booklet—whether its destination shall be the desk or the waste basket—depends upon the cover. Booklets are as necessary to a follow up system as are good form letters.

Calendars are good advertising because their utility for at least one year gives them a long life, comparatively. But in calendars it is a case of the survival of the fittest.

Home safes are particularly good advertising for savings banks because they lead to systematic saving and by interesting the children, lead to the active interest in the bank on the part of others in the home.

Copy.

Bank advertisement copy should be original, concise, logical and well written in simple language. It should not consist of glittering generalities, nor of long, involved sentences.

The headline should be interest-exciting, and, if possible, should briefly tell the whole story of the advertisement so that hasty or casual readers of the advertisement may receive a distinct impression.

As a rule copy for the advertisement should be changed with each insertion. But the same typographical style should be maintained throughout so that there may be both continuity and differentiation in the advertisements, the former building up, by constant repetition, a good will and the latter educating the public and inducing people to take definite action.

The attempt should not be made to cover the whole field of the bank's service in one advertisement, but different phases should be taken up in each of a series of advertisements.

It is better to use small, or moderate-sized space regularly than larger space spasmodically. The general reading pages of a paper are better than the financial page because those who read the financial page likewise see the other pages, but all those who read the general pages do not read the financial page.

Three insertions a week is better than one insertion a week and every day is better still.

Proper position and display of advertisements are important as they insure a larger circulation for the advertisement, i. e., more readers.

One or two strong display lines in an ordinary-sized advertisement are enough—the headline and the name of the institution.

An illustration increases the value of an ad. if it is a good illustration. It attracts attention and drives home its point. A trademark emblem in advertising is good because it gives something concrete around which a popular conception of the advertising institution can be built. At the same time if it is appropriate it can constantly advertise some feature of the institution's strength or service. A constantly advertised emblem becomes in time a very valuable asset on account of the cumulative force of advertising. Every ad. is a drop in the bucket of prestige.

There ought to be as much personality and human interest as possible in bank advertising. At the same time dignity must be maintained. Humor is always out of place in advertising, although good nature and kindliness are not to be tabooed.

Methods.

It is an all important thing that a bank's advertising campaign be planned as a whole. Map out a year's campaign in advance. Let things follow in logical order.

Successful advertising banks now use the follow up system of form letters, booklets and circulars to supplement other advertising. Advertisements are "keyed" with requests to send for a booklet. A careful card file index system is used in handling the names of prospective customers and depositors.

It will pay the bank officer who has charge of his institution's advertising to subscribe for advertising journals, to buy books on advertising and business promotion, and if he is too busy or does not feel fitted by training and experience for this work he should get expert advice and help just as he would in a legal, medical or other professional matter.

ADVERTISING LITERATURE.

"HOW to Advertise a Retail Store." By Albert E. Edgar. As its title indicates, this book is primarily adapted to the retail advertiser, but as it contains good chapters on bank, trust company and real estate advertising, besides a vast amount of practical knowledge on advertising and printing in general, no bank advertiser will regret paying $3.50 for this 500-page book.

Among other things, the book teaches:

How to lay out advertising copy, how much space to use, how to design an attractive space-saving name-plate.

What a headline should accomplish, how to get and use proper illustrations, how to write your advertising introductory, how to describe an article so as to make sales.

What style and method of pricing you need, the preparation of effective free advertising, how to find and properly use selling points.

The making of store papers, booklets, leaflets, folders, advertising letters and mailing cards.

The organization of a follow up system.

The uses of calendars, blotters, postcards, advertising novelties, package enclosures and hand bills, proper methods of window advertising, correct out-door advertising, Spring, Fall and other openings advertising.

Two hundred and fifty selling helps, guessing and voting contests, drawings, schemes to attract boys and girls, premium schemes, the sensible advertising of special sales and clearance sales, the uses of leaders and bargains, many novel sales plans.

The promotion of business in a number of specific retail lines—this department alone occupies about 100 pages, mail order advertising and general advertising, points about type, borders, ornaments and cuts.

Nearly 30 pages of practical and helpful hints on how to lay out advertising copy, how to read proof and technical terms.

How this is done is demonstrated by the use of 641 illustrations as models, showing how all these things are accomplished by the highly paid ad. managers and the cross-roads storekeepers.

The Bankers Publishing Company will procure this book for anyone upon receipt of price.

"Wage-Earners' Budgets." By L. B. More. New York: Henry Holt & Co. $2.50.

While this is not an advertising book, we mention it here because it contains a lot of information of value to bank ad-

vertisers, especially to savings bank advertisers.

The book is a careful and thorough study of standards and cost of living in New York city. It is a presentation of the daily lives of many families on the lower west side of New York, revealing, in outline, the whole story of the struggle for existence of working men under the conditions of modern city life.

Mrs. More in securing the data upon which this book was written worked under the guidance of a committee of experienced sociologists. The introduction to the book is written by Prof. Franklin H. Giddings of Columbia University, who sets forth the tactful and patient way in which Mrs. More secured her facts and figures through a period of two years.

The investigation showed that the average family income is $851.38. But 21.5 per cent. have an annual income of less than $600 a year. The author believes that a family in that part of New York needs from $800 to $900 a year in order to make adequate allowance for savings against a rainy day.

The many statistical tables throughout the book are interesting and valuable, most of them being in the form of family budgets. The book is undoubtedly the most thorough ever written on this subject and is of value to every student of sociological problems, including those who by their advertising of savings institutions try to make people thrifty.

THE INSIDIOUS FIRST STEP.

A NEW auditor for a financial institution in the East recently taught one of its oldest and most trustworthy employees a lesson that he needed, and a lesson that is worth while.

The institution in which this man was employed was one of four similar institutions, all controlled by the same corporation. The officers of the controlling corporation decided that as an additional measure of safety they would employ a high-priced accountant permanently as an auditor, and give him authority to enter any of the banks at any time and to demand of any official in charge of property of whatever nature, his books, assets and vouchers for the purpose of examination.

One day the new auditor appeared before the cashier of one of the banks, an old and tried employee during whose regime not a penny had been lost. The auditor looked over the cashier's books, and pronounced them all right. Then he looked over the securities and found them to be correct. Next he announced that he would count the cash, and though the cashier said that he had just done that, and showed him the correct totals, the auditor insisted upon doing his own counting, and he did it. During the count he laid aside two packages of money, and when he had finished he said to the cashier: "I find two notes mixed in with your cash that have not been passed upon by the loan committee of your board of directors."

"Impossible!" said the cashier.

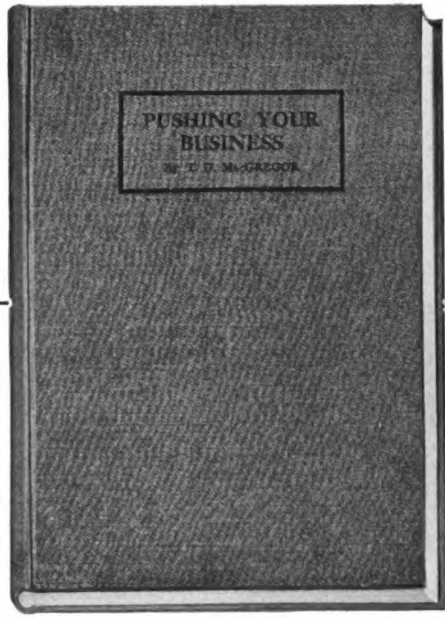
The auditor then showed a package of bills marked "$100." "I find this package a dollar short," said the auditor, "and in place of the dollar is an I. O. U. reading 'Borrowed—A. B. C.'"

The old cashier laughed. "A. B. C.," he said, "is one of our receivers, and he took the dollar, with my consent, for his luncheon."

"Notwithstanding," said the auditor, "it is a loan not passed upon by the committee, and I decline to pass this bundle as $100 when it contains but $99." Then he showed that there was a similar shortage of $5 in another package, and the cashier explained that he had taken the money, substituting an I. O. U. for his personal use. The auditor insisted that this, too, was a loan not passed upon by the proper authorities, and declined to vouch for the totals. The cashier said that he was heavily bonded, and that his I. O. U. was as good as cash; but the auditor insisted that it was not, and refused to pass the cash account until the missing sums had been replaced. Then he read the cashier a lecture.

"I want to say right here," he said "that this is the practice that makes embezzlers; the taking of little amounts which can be replaced, and then larger amounts which cannot be replaced. Stop it at once. It is not business."

The cashier thought the auditor was technical and over-officious, but he wasn't; he was absolutely right. You will notice every time that the trusted employee who embezzles trust funds is a respectable and tried servant in whom his employers put perfect trust; otherwise he would never have the opportunity to embezzle. Furthermore, you will notice, in ninety-nine cases out of a hundred, that the first sums stolen were small, and were usually replaced. The habit of taking trust funds for personal use once formed, the road to embezzlement and disgrace is easy. This cashier's lesson is one that all who are similarly situated should take to heart and consider well.—*Duluth Evening Herald.*

Just  *Out*

Second Edition of

"PUSHING YOUR BUSINESS"

Revised and Enlarged

WE are pleased to announce this month the publication of a second edition of "PUSHING YOUR BUSINESS," the financial advertising text-book by T. D. MacGregor, Ph.B., of the "Bankers Magazine."

The new edition of this popular and practical book contains 163 pages—an increase of 37 pages over the first edition. It also has twenty-two new illustrations, some of them full-page cuts.

Notwithstanding the great increase in the size of the book the price remains the same—one dollar.

"Pushing Your Business" has met with remarkable success. It is rapidly becoming the standard work on bank, trust company and investment advertising. Its sale has been worldwide. There has been a demand for it in every state in the Union and besides it has been sold in Canada, Mexico, Alaska, Hawaii, Panama, Argentina, France, Austria and New Zealand.

This company has never published any other book whose success has been so quick and pronounced as has that of "Pushing Your Business."

We expect that many buyers of the first edition will want a copy of the second edition. We unhesitatingly say that the new matter alone is worth the price of the book. The new edition has 163 pages, 52 illustrations and is bound in cloth. PRICE $1.00.

THE BANKERS PUBLISHING CO.

90 William Street **New York**

NEW CHAIRMAN, EXECUTIVE COUNCIL, A. B. A.

WHILE the American Bankers' Association was in session at Denver last September, they elected F. O. Watts, president of the First National Bank of Nashville, Tennessee, chairman of the Executive Committee, a choice which seemed to give general satisfaction. Mr. Watts is a banker of distinction and is well-known throughout the South and middle West as a public speaker. His services in this capacity are always in demand by the state associations for their annual conventions. Mr. Watts was made cashier of the First National Bank of Union City, Tennessee, before he was twenty-one years of age, making it necessary to secure special permission from the government for him to fill this responsible position.

After fifteen years of service as cashier in Union City, he came to Nashville and accepted the same position with the First National of that city.

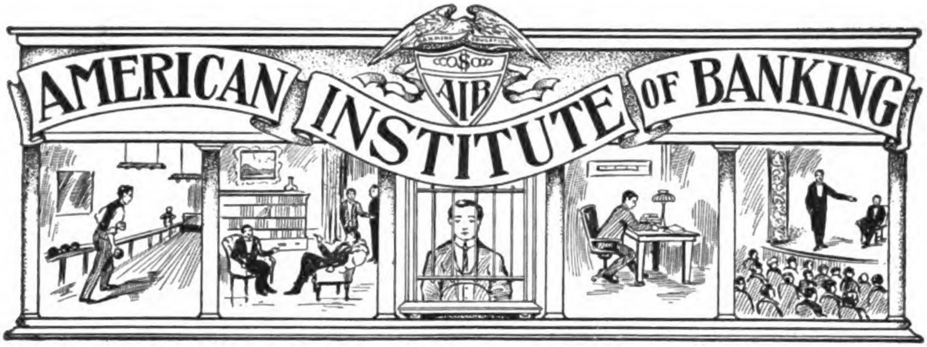
Mr. Watts served with the First National of Nashville as cashier for a few years, and was then made its president, and since taking charge of the bank's affairs he has more than quadrupled its business. He has also been a president of the Tennessee Bankers' Association and still acts as an ex-officio member of its executive council.

In 1906, when the national convention was held in St. Louis, Mr. Watts was elected one of five members of the executive council out of over twenty candidates, leading the ticket by over fifty votes.

Since he has been on the executive council he has been very prominent in its affairs, having served as chairman of the committee to revise the constitution and by-laws, and as a member of the advisory committee, which has charge of the affairs of the association between meetings of the executive council.

F. O. WATTS

President First National Bank, Nashville, Tennessee; Chairman, Executive Council, A. B. A.



THIS department is conducted in the interests of the American Institute of Banking. From time to time articles of special value to members of the Institute will appear here and it is intended to publish as much news of the various chapters as possible. It is hoped that each chapter will appoint someone whose regular duty it shall be to correspond with THE BANKERS MAGAZINE for this purpose.

Group and individual photographs of officers and members, photographs of chapter rooms, accounts of banquets, debates, speeches and chapter progress are desired and practical suggestions and discussions are solicited from all members of the Institute. Manuscripts and photographs must reach us by the 15th of the month to be in time for the following month's issue.

THE PAYING TELLER.

A Complete Story of the Important Work of this Bank Employee.

By Alfred M. Barrett, Assistant Secretary Guardian Trust Co. of New York, Member Executive Council, American Institute of Banking.

IN the estimation of the general public, upon the men in official positions in our banks and trust companies, rests the responsibility of the success of their institutions. But a factor that, at times, is overlooked is that in order for the officers to attain the success the stockholders desire, they must, of necessity, have a corps of efficient and honest clerks.

The American Institute of Banking has become an important factor in the development of the bank man and the officers of banks all over the United States invariably look to the Institute when in need of men to put in positions of responsibility.

The several departments of bank service by a bank clerk are important. Still, if there is any one to which distinction should be given, I think it is the one which is the subject of this paper.

I may be asked why I consider the paying teller's department so important. It is the department which, next to the executive of the bank, is brought most into personal relation with the customers. A great deal of the work of the receiving department is done by mail; the loan clerk and the discount clerk see only those of the bank's customers who have paper or collateral to negotiate; the correspondence work is done mainly at a distance, and the bookkeepers are not always in evidence, though upon their work hinges almost every banking transaction. The paying teller, however, is brought in direct personal contact with nearly every depositor of the bank, Secondly, on no other department of a bank does there rest greater responsibility. A mistake made here is, in nine cases out of ten, fatal to the interests of the bank. If an error is made in the receiving teller's department or the loan department, or any other of the departments, it is in most cases susceptible of correction. No so with the paying teller's department.

The account of a failing house may be over-certified; a forged indorsement may be paid; a stop payment overlooked,—and the bank in either case must be the loser. An overpayment to an irresponsible messenger, though seldom made, sometimes occurs, and is irreparable.

Thirdly, the paying teller's duties call for the exercise of qualifications of no mean order.

Theoretically, the functions of a bank are to receive moneys, hold them on deposit, and pay them out at the convenience and on the demand of the depositors. In actual practice, however, there are many refinements on this theory so that sometimes these proper functions of a bank seem to be almost secondary. In fact, under the present advanced system of credits, one might conceive of a bank which, if we except its legal reserve and clearing-house depart-

ments, might almost do business without the use of real or even "fiat" money.

We can imagine a bank whose entire capital has been paid in in checks; whose deposit bonds have been paid for by checks; whose line of deposits is of these same instruments, and whose payments are made by certificates of deposit or cashiers' checks —a bank, in fact, using but little, if any, currency beyond its legal reserve and clearing-house funds, in its daily business.

In effect, however, although we may have advanced to a considerable distance along these credit lines, much of the work of the tellers, especially of the paying tellers, is with actual money, or at least, paper representatives of coin. Bankers are still attached to the money bench or bank, from which their title is derived, and deft fingers are still required for the counting of the vast sums passing over the benches or counters of a modern bank. If we consider the actual handling of bills, the counting and re-counting, the bunching and labeling, and sorting, an enormous amount of manual work is done daily in the paying teller's cage.

ALFRED M. BARRETT

Assistant Secretary Guardian Trust Company of New York.

A Many-Sided Man.

The handling of the actual currency is, however, only a small part of the duties of the paying teller. In fact these are so many and so varied, that the mere enumeration of them would make a chapter in

itself. The individual capable of adequately meeting all their demands, must be a many-sided man. He must combine in one person safety, as well as celerity; mental alertness, as well as physical smartness; an even disposition, perfect equanimity of temper, and tact of a high order. In a bank of any size in a city like New York, it may be well said of the paying teller, borrowing a phrase from military parlance, that he is "on the firing line" all the time. From the moment he opens his window at ten o'clock in the morning until the close of banking hours for the public at 3 p. m., it is a constant "rush" for him and his assistants, and, like the advance line of a military force, he must be ever on the lookout for surprises.

The paying teller should be thoroughly familiar with the bank's depositors. When checks are presented over the counter to be cashed or certified, he cannot, ordinarily, stop to inquire whether or not the depositor's account is good for the amount of the check. Such inquiry made in the presence of the person presenting the check might lead to the inference that the depositor did not stand any too well with his bank, and thus harm readily be done. A woman's reputation or a professional man's standing may be ruined by a shrug of the shoulders or a wink at the proper time; in the same way, a man's credit may be impaired by an apparent momentary hesitation on the part of his banker to immediately honor his draft, hence the importance of the paying teller's studying and knowing in a general way something of the sort of account each depositor keeps with the bank.

The paying teller must have a knowledge of commercial or banking law. While, of course, the officers of the bank are its court of last resort, many important questions must be decided upon the last moment by the paying teller without appealing to the officers. Questions as to the proper payee of a draft, of raised figures, legality of form of drafts, forged indorsements, etc., come to the teller at first hand. He may or may not pass upon them without the counsel of the higher officials, but the knowledge of when to act and when to refer such questions is almost as important to the bank's interest as making the judgment in the first place.

Specialized Work.

In most of the city banks the paying teller may be said to have reached the extent of his promotion. Beyond his tellership there is no advancement. Having found a man fitted for the duties of paying teller the tendency is to keep him in that place. Paying tellers may be said to be like poets, "born not made." The importance of the position calls for special qualifications, and the possessor of these acquired through long experience in bank work, is so valuable in his own place that the officers of the bank keep him there. While thus to circumscribe his ambition and limit his horizon seems, at first glance, unfair, it is only part of the tendency toward specialization in the business world. It has the advantage also, that it tends toward the protection of the teller in his place in spite of changes in management, now of such frequent occurrence in banks. The teller is a specialist, the product of long experience and training, and cannot be lightly set aside at the whim of a director or the behest of a special interest.

Not only must he be deft-fingered, but the strain upon his mental activity is so incessant, that he must be just as quick of wit, and even of temper, as he is delicate and facile of touch in handling paper and coin.

I think I can best give an idea of the work devolving upon the paying teller by describing the daily routine of his department in one of the large banks of New York city, where work has been systemized in a way to make business proceed with dispatch, and without loss of accuracy.

In this particular institution, as perhaps in all banks, the first duty of the teller upon his arrival in the morning is to get his cash out of the vault. By "cash" I mean his drawer money, which runs from $100,000 to $300,000, and covers an average day's necessities in coin and bills for "over-the-counter" payments. Right at this point, at the very outset of my description of the routine work of the department, I want to call attention to this paying teller's cash and its significance as regards the confidence reposed in, and the responsibility resting upon, the paying teller. His cash box is absolutely under his control. It is, and must be, accessible only to him. The paying teller and his bondsmen are responsible for this cash hence it must be under his control. There must be no divided, or joint, responsibility, for very obvious reasons.

And yet, at first glance, this practice would seem to afford opportunity for peculation. It does for the moment, perhaps for a few days, but the practice is safeguarded by the ever present imminence of an unlookedfor visit by the bank examiner, or a call by an officer of the bank for a count of the cash and securities. Beyond all this, it has, as a safeguard, the general honesty of paying tellers, and it is significant of the care with which the tellers are selected in most banks, after years of service in other departments where their characters are under close scrutiny, that the

inviolability of the teller's cash is seldom called in question and its accuracy is proverbial.

The drawer money of the teller is replenished in most banks from two sources; from the cash received from the receiving teller, and that taken from the reserve. In banks having a currency department, however, it is drawn from that source alone. Here again we run across one of those conditions which illustrate the importance to a bank of the honesty and integrity of the paying teller. All of my readers who are familiar with banking methods will understand what is meant by replenishing the money drawer from the reserve. The reserve consists of millions, and in actual practice in many banks the paying teller's cash book is the only record from which its condition at any time can be computed. In making his proof, or daily cash statement, the teller reports so much in the reserve, and so much in the cash box. If his statements account for the actual balance, his proof is made, yet, until an actual examination by the officers of the bank or the examiner, the paying teller's word is the only evidence that either item is correctly stated.

The proper safeguard to throw around transactions of this sort in a bank not having a currency department, would be for the paying teller to issue a voucher or draft on the reserve for the funds needed, which draft should be countersigned by an officer of the bank and only honored by the custodian of the reserve upon such countersignature; when thus honored, it should go at once to the general bookkeeper or auditor, if the bank has one. The bookkeeper or auditor would thus have a check upon the paying teller's statements, or if such were not rendered daily, they could make this check by examining his cash book as to its various items. This would not divide the responsibility but would mean an additional safeguard.

The Day's Work.

The next step in the routine of the paying teller's department after arranging his money is to take care of the deposits to be made with the United States Treasury, as called for by correspondent banks, such requisitions being received by the paying teller from the mail or correspondence department. These deposits cover the five per cent. redemption fund, and shipments of silver. He also takes care of deposits to be made at the sub-treasury for the payment of customs duties. These out of the way, his "decks cleared for action" so to speak, the line begins to form in front, and his actual day's work commences.

I have said that the paying teller must have an even disposition, equanimity of temper, mental alertness and tact, and I might have added untiring industry, for all these qualities aré now brought into play. To keep the line moving is an ever-present necessity, but only one who has faced a "line" from the inside of the cage can appreciate what this means.

Most persons presenting themselves at the paying teller's window are there to have checks cashed or certified. Many, however, come to have worn or ragged currency exchanged for new, to get gold for bills or bills for gold, to get bills of one denomination exchanged for those of another or to get new money. These, however, are the ordinary customers of the paying teller. It is the casual occurrences béfore the paying teller's window which are of the greatest interest. It is the shady individuals, the frauds and tricksters, whose visits, much more frequent than angels', the teller must be on the lookout for, and whose tricks he must be prepared to checkmate.

We very seldom hear, now, in New York banks, of the sneak thief stealing to the teller's window and with crooked fingers or hook purloining a roll of bills without detection, or more boldly grabbing a bunch and running for the door. The modern thief has improved on these methods, and it is the plausible, oily, smooth fellow with a forged indorsement or a raised check who siezes upon the busiest moment, perhaps, of the busiest day to try to catch the teller off his guard, for whom the latter must be on the lookout.

Under the common law of the land, the presumption is that every man is innocent of crime until he is proven guilty. Such a theory does not obtain with the prudent paying teller. On the contrary, every man appearing before his window must be considered in the light of a suspicious character until he has demonstrated his honesty. Of course, a judgment to this effect by the paying teller is not the work of minutes or even seconds. In most cases, it is almost instantaneous, that is to say, there is no long process of weighing a man or his motives. That would be impossible. What I mean is, that the attitude of the paying teller toward every one must be that of suspicion. This is his rampart of defence, so to speak. He must hedge himself about with this fence of suspicious reserve and only upon the presentation of the proper password allow anyone to come through it. To illustrate:

It is a busy day, perhaps, and the line comes along in this wise:

Messenger from Brown & Smith, brokers: "Certify" passing in a check for $100,000. The trained eye of the teller takes in at a

glance the messenger presenting the check for certification, the check itself, the amount and the signature. The questions mentally asked and answered as to each are, "Is it regular?" "Is the account of Brown & Smith good for the amount?" Bear in mind that this is all the work of a moment, for neither Brown & Smith's messenger nor the line must be kept waiting. Without a moment's apparent hesitancy the paying teller has passed judgment: the check is passed over to his assistant to enter on the certification book, and for the application of the certification stamp, and in another moment or two is returned, the paying teller's signature affixed completing the certification, and the check is passed through the window to the waiting messenger. In the transaction $100,000 has practically changed hands. Even while this is going on, while the assistant is making the entry in the certification book, the paying teller may have paid two or three checks handed in over the counter.

"Is This Mr. Jones?

Next comes Mr. Jones with his check. "Twenty-five dollars in new bills, please!" presenting a check payable to his own order, to cash, or to bearer. If either of the first two, questions the paying teller must ask himself and answer are, "Is this Mr. Jones?" "Is his account good for $25?" "Is that Mr. Jones's signature?" Again no apparent delay. The questions are asked and answered in a moment and the line kept moving.

Next! Well, here's a check presented for $500 drawn by the Citizens' Bank of Jonesville, an out-of-town correspondent, payable to Richard Smith. "Are you Richard Smith?" "Yes." "Can you be identified?" "Yes." "By whom?" "Mr. Brown here, one of your customers." Thus far all right, but the teller must ask himself "Is the account of the Citizens' Bank of Jonesville good for $500?" "Yes." "Is there a stop payment on this item?" "No." Then it is, "How will you have it, Mr. Smith?" and the money is paid out as Mr. Smith requests, all in a moment or two. But it is different if Mr. Smith is not identified. Then there is some parleying. Perhaps Mr. Smith is a stranger to banking methods and it takes time to convince him that it is absolutely necessary that he be identified. Meantime the line behind him is growing impatient, and it may be that during the colloquy the paying teller's attention is distracted by inquiries from the assistant or from one of the officers, or the head of some other department in the bank which have to be answered at once. Perhaps Mr. Smith grows hot under the collar and shows a disposition to block business. He must be gotten out of the way quietly but promptly, and the line moves up a peg.

Coincident with the work of paying out funds over the counter, there devolves upon the teller the duty of examining checks which have come to the bank through the mails or through the clearing-house. This examination includes the verification of signatures, the scrutiny of indorsements, and the examination of dates and fillings. All of these duties are important and must not be done in a perfunctory manner. Checks are found drawn erroneously for one amount in the body and another in the margin. That is to say a check may be drawn for "$300" in the marginal figures, and for "three dollars" in the body. The question is, which is intended? The teller must note the difference and be guided by circumstances in the paying, or refusing to pay for one amount or the other, or for either. Tom Brown may be in the habit of paying his gas bills by check, and if his check to the order of the Consolidated Gas Company comes through drawn for "$300" in the margin and "three dollars" in the body, the teller might pay it for three dollars, as that was clearly Mr. Brown's intention, he being unlikely to have to pay $300 for his monthly gas bill. But occasions on which the teller can exercise this discretion are few. Usually a check with a discrepancy between the body and the marginal amount is returned for proper filling, or else submitted to the judgment of an officer of the bank. If the paying teller were to pay such a check as I have just described for $300, the bank might be liable for $297.

Examining Checks.

Checks must be examined as to dates. It might be a fatal error for a paying teller to cash a check dated ahead, and it is a rule of the clearing-house that checks are not payable through that institution on the same day on which they are drawn. Important interests might be affected by disregarding the rules governing in these cases.

I do not think there is any need for me to speak about indorsements. Their importance is self-evident. Checks must be carefully scrutinized to see that they are regular as to indorsements. Instances are of frequent occurrence which demonstrate the necessity for caution in the exercise of this function. In an important criminal case that came before the courts of this city, it was shown that the suspicion was first directed to the alleged murderers by the fact that in an indorsement upon a check passing through the murdered man's hand it was discovered that there was a discrepancy of but a single letter between the name of the payee and that of the in-

dorser, and the check was held by them for inquiry. This inquiry developed such suspicious circumstances in connection with the presentation of the check that a murder plot was finally unearthed.

The examination of signatures is by far of first importance. If Mr. Brown leaves some money with an individual for safe keeping and comes in person and asks for it, it may be paid to him without any question. But if he should send a messenger for it with a written order, one would have to know that his message was genuine before paying over the money. A check or draft being an order upon a banker to pay over some of the funds held by the bank for the credit of the depositor, the bank must be absolutely sure that the signature to the check represents the depositor. For this purpose, the written signatures of all persons opening accounts with the bank are lodged with the bank and preserved in the paying teller's department. Formerly these signatures were written in what was known as the "Signature Book," in alphabetical order. These books, however, were bulky, clumsy and difficult to handle, and frequent reference to them soon caused them to become ragged, dirty, illegible and in some cases absolutely useless. Often, moreover, it was necessary to take the book away from the bank for use in court, which left the teller without his signature book, perhaps when he most needed it. Of late years, however, improvement was started in a New York city bank and has since spread through the entire country, in the use of signature cards, which bear the same improved relation to the old-fashioned signature book that a card index system in a library bears to the antiquated system of indexing which was in vogue half a century ago.

As it was absolutely necessary that the paying teller should be familiar with all the signatures, it seems to me essential that he should examine all signatures to checks, but in view of the importance of leaving him ample time for this and his other important duties, it would appear that the work of checking the fillings and scrutinizing the indorsements might be done in another department, or at least, by some clerk of inferior grade, under the direction of the teller.

For altered checks the paying teller must be ever on the lookout. A certain class of thieves find in the raising of checks a ready method of making money at the expense of their neighbors, and they have become so skilful at it that not even constant watchfulness can always prevent the carrying out of their plans. Generally a check is altered by raising it from a small to a larger amount, say $7 to $700, or from $17 to $1,700, but the very latest refinement of the process is to reduce the amount of a check. Certain people in New York have recently taken advantage of the fact that there is considerable looseness in some offices about the delivery of broker's checks and have obtained such a check for a few thousand dollars, reduced it to as many hundreds or tens, made it payable to bearer, and in one or two instances have succeeded in getting it cashed. Modern chemistry has made very easy the task of altering checks, as certain chemicals can now be secured by almost any office boy whereby erasures of written words and figures can be made without possibility of detection, except by the microscope.

In the case of the payment of an altered check for a larger amount than that for which it was originally drawn, the paying bank is the loser, hence the importance of careful scrutiny by the teller.

I might say here that it would be impossible for the teller to apply the suggested careful methods of scrutiny to the signatures, indorsements, fillings, etc., of all the checks passing through his hands, and with the vast majority of the checks presented it would be unnecessary. It is the one check out of ten or a hundred thousand, probably, about which there is likely to be any trouble, and it is only by making it the habit of his life to pass nothing which is irregular that the paying teller can safeguard his work. He must have so trained his mental faculties that the slightest suspicion of irregularity in presenting a check, or the slightest departure from a recognized standard in the check itself, will attract his attention. This mental alertness, this habit of mind of the efficient paying teller can be the result only of years of training, and it is this which puts the paying teller in an attitude of suspicion toward the new comer. If he fails to cultivate this attitude, he is not prepared to checkmate the many tricks which are liable to be played upon him, but it is this very attitude which is the cause of complaints about "grumpy" and "disobliging" tellers on the part of the unthinking. However courteous a man may be by nature, he cannot successfully maintain such an attitude during the busy day without grating upon the sensibilities of some one, and yet we have seen how necessary it is for the security of his work and the bank's interests. The officials of the banks to whom complaints are made of the discourtesy of the teller must give all these facts proper weight in their judgment.

About Certification.

Next to the handling of the actual cash of the bank, the most important part of the work of the paying teller is in certification. It is important for two reasons:

First, in the fact that its legitimate use calls for the exercise of the greatest caution and good judgment, and secondly, that its illegitimate use is, beyond question, a grave danger to a bank. It is a danger which it is impossible to effectively guard against. No matter what safeguards are attempted, none give absolute security. That can only be found in the honesty of the paying teller, and in a measure, in the lack of inducement to wrong-doing on his part. The certification stamp of a bank renders a check, otherwise worthless, as good as a cashier's check, and may commit the bank, in printing the certification thereon, to a liability of hundreds of thousands of dollars. The paying teller is the one who places this stamp upon a check, and in the exercise of this function he has absolutely no limitation for the time being. Of course, except by an elaborate system of frauds, an improper certification would be discovered within twenty-four hours, but by collusion between the teller and outsiders frauds might be perpetrated because of which a bank would be a heavy loser. Checks are daily certified by New York city banks for amounts which not many years ago would have been considered extraordinary. It is nothing unusual for a bank nowadays to certify a check for a million. Twenty-five years ago this would have been an event.

Although the certification of checks is a function generally exercised by the paying teller, there is nothing in the banking laws to hinder its being delegated to some other clerk or performed by the cashier himself. Under certain circumstances, it might be well for a bank to relieve the paying teller of this duty, and impose it upon the cashier or an assistant especially detailed for this purpose. As it is entirely distinct from the work of paying out cash, there would be no question of dividing the responsibility. Only a small proportion of the total amount of accounts ever call for certifications, and the charges against these accounts for checks paid in cash and because of certification could be just as well reported to the bookkeeper from two sources as from one.

One of the details of the paying teller's work which is unthought of by any but those immediately connected with banking, is that of keeping his currency in good shape. This involves the exercise of patience, good judgment, and untiring industry. He must carefully weed out his mutilated money, always bearing in mind the danger of running foul of treasury regulations. The "mutilated" that he sends to Washington must bear inspection as having been naturally mutilated. He must not, if he runs across a greasy, unkempt looking bill, tear it across or gouge a hole in it; that is, it must not appear as though he had done so, but—and this I put in parenthesis—if his fingers should accidentally bore holes in a ragged bill while handling it, the department cannot assume that it was done on purpose. The teller must have clean money, and in a great many cases he must have new money, for good customers and friends of the bank. We all know the individual who is fond of carrying new money with him, and when his friends comment upon it, says "Oh, my bank always gives me new money—they know I like it!" the boast serving the purpose of letting people know he is on good terms with his bankers, to be treated with such consideration.

Besides providing himself with clean money and with new money, the paying teller must be careful that he has his money in such denominations as are likely to be needed at different times, for there are seasons in banking as well as in the natural world. There are seasons calling for certain denominations of money. Thanks to the secret ballot, we do not now need—at least, not in this latitude—to lay in a large stock of $2 bills in the fall for use at election time, nor to have large sums in greenbacks of high denomination to help some favored customer to avoid his taxes, but there is a strictly legitimate demand for large-sized bills at one time, and bills of a smaller size at another, which the paying teller who wishes to be up to his work must bear in mind. It is very awkward and expensive to have a bank find itself called upon to ship money in certain denominations, when the shelves of its reserve vaults are loaded with unavailable stuff.

This brings me to another branch of the paying teller's work—the shipment of currency. I will not dwell on this, however, as, now that specialization is so well established, most banks of any size have a currency department which takes this labor off the teller's hands. Yet, in banks where the paying teller still does this sort of work, we all know how careful he must be and how painstaking not to make a mistake, for the troubles likely to accrue out of the shipment of money are endless.

Divisions of the Paying Teller's Work.

It is apparent from this glance at the various items of a paying teller's work, that it falls naturally into two divisions:

(1) Work which now belongs to the paying teller's department and must always continue to be done by the paying teller, and

(2) Work now done by some, if not all, paying tellers which might well be provided for in another department.

In the first class I would place:

(A) The actual payment of checks over the counter in cash.

(B) Examination of signatures of all checks, whether presented at the counter, received by mail or through other departments, or from the clearing house.

(C) The making up of the debit balance for the clearing-house.

In the second class I would place:

(A) Certification of checks.

(B) Examination of checks for discrepancies in filling and dates.

(C) Examination of indorsements.

(D) Keeping currency in good shape.

(E) Making up of shipments of currency and deposits for the treasury.

As before stated, the certification of checks might be made the duty of an executive official, relieving the paying teller of this duty. The examination of checks for discrepancies in uates and fillings and the examination of indorsements, as also the watch on them for "stop payments" might well be taken from the teller and made a part of the bookkeeper's work: indeed, in many banks, this is the case. The keeping of currency in good shape and the making up of shipments and deposits might be made a part of the work of the currency department, if the bank had such a department.

In these days of specialization of work, the tendency in all business lines of effort is to limit the range or function of an individual. Such a limitation as I have indicated would, I think, make for greater efficiency of service in a bank; would facilitate the transaction of the business of its clients, and last, but not least, under such a system the paying teller, not having his duties distributed over such a wide range, would be able to give closer attention to such as would be left to him, and these the most important, the change conducing to safety of the bank's interests.

SPRINGFIELD'S NEW CONSTITUTION.

THE Springfield Chapter has adopted a new constitution providing for an increase of the executive committee to nine members. Fred W. Ferre and Charles G. Hubbard were added to the committee. Professor J. W. Crook of Amherst College was elected as the first honorary member of the chapter.

Thursday evening, September 29, an address was given on "Credit Insurance" by J. R. Manmer. Horace W. King of the Springfield Safe Deposit and Trust Company read a paper on the "Ladies' Department."

At a later meeting Professor Crook delivered a lecture on "The Increase of Gold and its Effect on Prices Including the Prices of Securities." This was the first of a series to be given by the professor.

John Bliss Knight, teller with the Hampden Trust Company, has been chosen treasurer of the Chicopee Falls Savings Bank, Chicopee Falls, Mass.

J. WATTS WOOD, *Secy.*

November, 1908.

CLUB ROOMS AT RICHMOND.

THE Richmond Chapter, A. I. B., has been busy during the month of October. The Board of Governors have secured rooms at the City Bank Building, fitting them up to be used as permanent quarters. The October meeting was held tnere as an opening. Notwithstanding the hard rain and wind storm which prevailed we had about sixty present, including several officers of the various banks: Col. John B. Purcell, President, First National Bank; John M. Miller, Jr., Vice-President and Cashier of same; A. R. Holliday, Vice-President, Bank of Commerce & Trusts, and others.

The debate arranged for was successful, there being some brilliant speaking on both sides. The subject, "Resolved: That a Guarantee of National Bank Deposits by the Banks Through the Government Would Prove Both Beneficial and Practicable," being such an important political factor at that time created a good deal of interest. The teams consisted of: Messrs. R. A. Ricks, Jr., G. H. Bates and A. L. Archer, the affirmative; and Messrs. Julian T. Winfree, W. B. Quinn and John S. Haw, the negative.

The judges, after some deliberation, rendered their decision in favor of the affirmative, which brought forth much cheering from the Democrats assembled.

The November meeting of the chapter will be given to a preliminary adding machine contest among the members, at which time five men will be chosen for a team to represent Richmond in a contest with Oakland, Cal., to be held some time during the month of December, the particulars of which will be announced later.

CLINTON L. WILLIAMS, *Secretary.*

Nov. 13, 1908.

GUARANTY TRUST COMPANY OF NEW YORK.

STRENGTH with financial institutions as with individuals is a product of trial. No better test of a bank's safety can be applied than that growing out of the experiences of a great panic. Mere endurance of the shock—getting safely through all difficulties with resources intact—is creditable enough; but to go through a panic and actually to win enlarged confidence at a time when the public faith in the banks is being severely tried—that is a record indicating a high degree of stability.

Experience of this character came to the Guaranty Trust Company of New York during the bank and trust company troubles in New York in the fall of 1907. This institution did not find it necessary to avail itself of the clearing-house certificates nor to restrict cash payments to its depositors. Loans of depositors were not called for payment, and currency was neither bought nor sold, although the Company imported over $4,000,000 in gold to strengthen its own position and to help in relieving the general situation.

That the Guaranty Trust Company was able while a panic was raging to extend its usual facilities to depositors may be attributed to the fact that care has always been exercised in making loans. The principle of trusteeship has been adhered to by President Castles, and in making loans one consideration has been kept in sight always—that of safety.

The successful working of this policy, amply demonstrated in the 1907 panic, has attracted attention and has helped in bringing additional business to the Company, deposits more than doubling since January 1, 1908, increasing from about $30,000,000 to over $70,000,000.

The growth of the Guaranty Trust Company and the ease with which it passed through the great crisis of 1907 have established the reputation of its President, Mr. John W. Castles, as one of the leading financial men of New York. Up to 1892 Mr. Castles was a merchant, but in that year he became temporary president of the Southern National Bank of New Orleans. While he was president the bank was put in good condition and the deposits increased fivefold. Early in 1893 the Southern National Bank was merged with the Hibernia National Bank, and in the period from 1893 to 1902 the Hibernia National Bank rose to a preeminent position among Southern banks in point of earnings and deposits.

In 1902 the Hibernia National Bank and the Southern Trust and Banking Company were merged into the Hibernia Bank and Trust Company, with $1,000,000 capital and $2,000,000 surplus. Under the consolidation, deposits increased 100 per cent. in the first year, and this institution became the largest bank in the South as regards capital, surplus and deposits.

In 1904 Mr. Castles became president of the Guaranty Trust Company of New York. Since then the deposits of the Guaranty Trust Company have increased from $34,000,000 to over $70,000,000, and after paying the usual dividends, $2,000,000 has been added to the surplus.

The estimation in which Mr. Castles is held by his banking associates was evidenced by his selection as a member of the Trust Companies committee appointed during the panic of 1907 to render assistance to such companies as were in need of temporary help. In this position his banking experience and accurate knowledge of securities proved highly serviceable in the work of the committee. More recently he was chosen Chairman of Joint Committee on Reorganization by the Bond-

holders' Committee of the Metropolitan Street Railway Co. of New York City.

A portrait of Mr. Castles appears as a frontispiece in this issue of THE BANKERS MAGAZINE.

CANADIAN DEVELOPMENT.

IT is worthy of note by the people of the United States that Canada is developing greatly and fast in a material sense. In 1907 the dominion received nearly 300,000 immigrants. A large share of these came from the United States, being settlers who have found profitable farms in the Alberta and Saskatchewan region and intend to raise wheat. The discovery of the adaptability of these lands to wheat, indeed, has caused much of the influx to Canada. It is significant of a check in the flow of immigration to Canada, however, that the record for the first nine months of this year shows a large falling off from last year's record. Only 127,630 immigrants have entered the dominion this year, against 235,829 for the corresponding nine months of 1907. This is a decrease of 46 per cent., for which no explanation yet appears.

Canada has now a population of about 6,000,000, of which the French Canadian element, to which Premier Laurier belongs, numbers about 1,700,000. The members of the house of Commons are elected every five years, which insures continuation of the present government until the year 1913. By that time, it may reasonably be presumed, Canada will have had a chance to test thoroughly the liberal policies.

WOMEN AND THEIR CHECK BOOKS.

STORIES about banking accounts owned by women, told in a London paper, are funny reading. Of one who was informed that she had overdrawn her account it is stated that she wrote saying that she was very sorry and enclosed a check drawn upon the same bank, which she hoped would set matters right.

Another who was called aside by the cashier and told that her account was overdrawn by a pound had rather the best of it when, taking a sovereign from her purse, she handed it to the cashier, expressing the sincere hope that her carelessness had not financially distressed the bank.

Another story told is of a lady who entered a well known bank and presented a cross check to the cashier at the counter, expecting him to cash it. After glancing at it, he looked up and said politely: "I'm sorry, I cannot pay this across the counter," to which the lady replied sweetly: "Oh, shall I come around that side?"—*Dundee Advertiser.*

CURRENCY CHANGES IN HAITI.

MINISTER H. W. FURNISS, of Port au Prince, forwards the following report relating to new issues of Haitian currency and its effect on the commerce of the country.

The Haitian Government has received 750,000 gourdes of the 5-gourde bills ordered in New York. Though these bills had to be signed by three different persons, a large number of them were in circulation in less than two days after their arrival, and all of them are now in circulation. The other 750,000 gourdes are anxiously awaited. The 500,000 gourdes in nickel commenced to arrive shortly after their coinage was authorized in May, and all of them were in circulation sometime before the receipt of the paper money which was authorized at the same time.

Since the 5-gourde notes have been in circulation a peculiar condition has arisen. The market people and small shops refuse to take them on the ground that they have not enough change to give in return, and the bankers refuse to accept them except at 4 to 10 per cent. discount. In other words they are accepted by the bankers at from 4 to 10 per cent. discount, as compared with the 1 and 2-gourde bills, while nickel money is accepted at 3 to 4 per cent. discount as compared with the 1 and 2-gourde bills.

The reason given by the market people and the small shopkeepers, that they have not enough change to accept them, if true, indicates that there are few purchases which approach 5 gourdes in value, the equivalent of less than fifty cents gold.

It would seem that the bankers would accept them, as it obviates less counting of money in their transactions, but I have been told by several of the bankers that they are not accepted because of difficulty encountered in getting rid of them, as only money of small denomination is desired. Because of the great fluctuations in the value of the paper currency the bankers will take only such fluctuating funds as can be disposed of readily.

ADDITIONAL NICKEL ISSUE AUTHORIZED.

Congress has sanctioned the coinage of an additional 2,000,000 gourdes in nickel coin. Such coin has no guarantee other than the Government's credit. This form of money has been chosen instead of paper currency as it can be rapidly delivered, while paper money will take at least two months for printing, seasoning, etc. The nickel money costs considerably more in proportion to value than the paper money, but the desire of the Government to put the money rapidly in circulation is so great that this difference in cost is not taken into consideration. The nickel is to be coined in the United States and is to make up the deficiences in the revenues.

As the result of the rumor of an additional issue of money the gold premium went up more than 50 points on August 21, and to 895 with further upward tendencies. This reduces the 1 and 2-gourde paper bills to 10 cents American gold per gourde, with a three to four per cent. discount on this amount for nickel and four to ten per cent. discount for the 5-gourde bill. When the nickel coin which has just been authorized commences to arrive the gold premium will surely go up.

EXCHANGE ON OUT-OF-TOWN CHECKS.

By H. M. P. Eckhardt.

AMONG the resolutions adopted by the American Bankers Association at the Denver convention is the following:

Resolved, That the practice of charging exchange for handling out of town items is just and proper, and within the scope of legitimate banking; therefore all bankers, both city and country are entitled to receive the benefit of the same.

It needs but a glance through the report of proceedings of the convention to see that the practice of charging exchange on out-of-town items spreads but slowly, and that it is met with much opposition and bitterness in some directions. Thus a Cincinnati banker complains to the Clearing-House Section of the association that Minneapolis has built a clearing-house wall around it "under which no bank from the east can get except at an exchange charge." Rumblings of discontent have been heard more or less all the time ever since New York started the movement several years ago. But at the same time it is true, as Secretary Farnsworth says in his report, "that the banks of the United States are doing an enormous amount of business without compensation," that they are not getting what rightfully belongs to them, and that by concerted action they could accomplish this end.

The character of the banking system is, of course, somewhat in the way of bringing about concerted action on this or any other matter about which a division of opinion exists. Each one of seventeen thousand odd banks in the United States is, so to speak, a sovereign state, possessing an intense individuality of its own. It has moreover its special interests to serve which are not, in every case, identical with the interests of other banks, even of those in its own neighborhood. To bring so many of them into an association, as has been done, is considerable of an achievement; to induce them to see eye-to-eye on such matters as the charging of exchange on checks, would be something of a miracle. Even if concerted action were possible it is not certain that it would prove altogether beneficial for the country. It is in order to study some of the probable effects of a more general charging of exchange on out-of-town checks by the banks.

At the present time in many places, if a man has an account at the bank, he may pass in at par all the checks he gets on points in the United States or Canada, notwithstanding that the bank has itself to pay exchange on a number of the items. The theory is that the bank more than recoups itself from the use it is allowed to make of the customer's free balance on deposit. Whether it does so or not depends altogether on the size of the balance and the activity of the account. Some banks allow customers to open an account and carry it on a balance of $75 or $100. A balance of that size, even when comparatively inactive, would not pay for much accommodation. One so large as $500, carried in an active account, might leave little or no margin of profit, not taking the matter of out-of-town checks into account at all.

According to the banking usage obtaining in other countries the customer having a current account with a bank in any town or city is expected to carry it on a basis something like the following: He may deposit cash, consisting of the coins and notes making up the currency of the country, and checks on other banks in the same town, at par, or at their face value. In some countries a custom exists, with the force of law, to the effect that checks or drafts drawn on the chief financial center shall always go at par. Thus checks on London go at par at all banking points in Great Britain, just as checks on New York are supposed to go at par at all points in the United States. The exception to this latter rule occurs in connection with a pronounced run of currency one way or the other between two centres. At crop moving time when currency is moving strongly from New York to the interior, New York funds at Chicago will be quoted at a discount of forty or fifty cents per thousand—the discount representing the cost of transmitting the funds. And when the currency is in full tide back to the metropolis, after having done its work in the grain fields, New York funds at Chicago may be quoted at a premium.

Then, the fact of having his account entails upon the bank the obligation to discount paper submitted by its customer in cases wherein it considers the paper good, and the credit wanted for a legitimate purpose. In the United States the banks do not consider this obligation to be binding upon them to the same extent as banks do in other countries where a large borrower confines all his borrowings to one bank which supports him and fills all his reasonable requirements.

Over and above these matters the bank

stands ready to transact business with its customer. Among the bills which he submits for discount will be some payable in other towns, some payable in other countries. The banker picks these out, and, in addition to his interest or discount, makes a special charge for exchange or commission. The customer also receives in the regular course of his business checks on out-of-town banks. His bank is ready to buy these checks—at a certain rate of exchange or commission.

When it takes them from its customer and places them to his credit it actually transmits the funds for him from the points on which the checks are drawn to his home town—a service which he has no right to expect to have done for nothing. In Canada a bank does not take from its depositors checks drawn on another branch of itself without charging exchange. It takes the view that merely because it has located or established branches at two different points is no reason why it should transmit funds from one to the other for its customers for nothing. If a customer wants to have a debt collected in Kingston and transferred to his account in Winnipeg he has got to pay for the service. Similarly if he wants to send a remittance from Quebec to Vancouver that has got to be paid for too. The banks in the Dominion regulate their practice on the basis of getting 1-8 or 1-10 per cent. profit on out-of-town items deposited, that do not take more than two or three days to collect. Suppose it is in Ottawa that Jones brings in to his bank a check on Montreal or Toronto. He will be charged say 1-8 per cent. commission. If his check is on some point in Ontario or Quebec where his bank has no branch it probably will have itself to pay 1-8 or 1-10 per cent. to get the check collected; and in that case Jones will be charged 1-4 or 1-5 per cent. Should the check be drawn on far-away Vancouver, the bank will be out of its money some four days longer and it may in consequence make an added charge. In the same way if Jones has an account payable in Halifax or St. John, New Brunswick, he can, to be sure, send his check on his local bank in settlement; but if he does so he has to figure that his creditor will be charged exchange by the bank at the other end of the line, and it may be that his relations with the creditor are such that he does not want the creditor to be mulcted.

While this is supposed to be the practice in Canada, as a matter of fact competition has led to its being modified in many cases. A real good customer may get the service done for nothing. But in that case his account would have to be valuable in other ways.

In connection with the matter of a change in the general practice in the United States one eventuality at once rises to the mind. There is no doubt that the free and liberal manner in which the United States banks have cashed out-of-town checks has resulted in a great increase in the number of checking accounts and a great expansion in the check circulation. It has meant practically that to have an account in a bank was to have the ability of transferring money to any part of the country without charge, merely by drawing a check and mailing it. With such a valuable privilege attached to the carrying of an account a great many people have been induced to open accounts, deposit their cash, and to let fly their checks. The question is, suppose the practice of charging on out-of-town checks becomes nearly universal, or suppose it becomes much more general than it is at present, what effect will that have on the deposits of the banks and the check circulation? If the banks charge for their services, as they have a perfect right to do, will it lead to the closing out of many accounts and the withdrawal of deposits? The banks might face that contingency without uneasiness so far as their profits were concerned. But it would undoubtedly result in the country needing a greater amount of currency for the transaction of its business. At present the check circulation is a most valuable aid to the currency of cash at times of special demand. If the check circulation falls off, some part of the reduction will have to be filled by cash. In other words, a greater amount of specie and notes will be needed in general circulation.

SAVINGS HABIT.

SAVING and thrift are, as Franklin points out, more habit than virtue. A year like this breeds economy. Many a man and woman are learning what can be saved and how much done without. Economies come into play. Families discover what they are spending. Up to incomes of from $50 to $60 a week outlay follows a known law on the general average. In nine-tenths of family incomes, from $10 a week up, a quarter goes to rent, a half to food and its preparation and the last fourth in the margin left for clothing and sundries. "Engel's law," as economists call it, knows few exceptions in moderate incomes, and these are practicing thrift. If a family can reduce a month's rent to less than a week's income, can pay for a month's food, fuel and service on less than two weeks' pay, a beginning has been made in the larger possibilities of thrift and saving for the future.

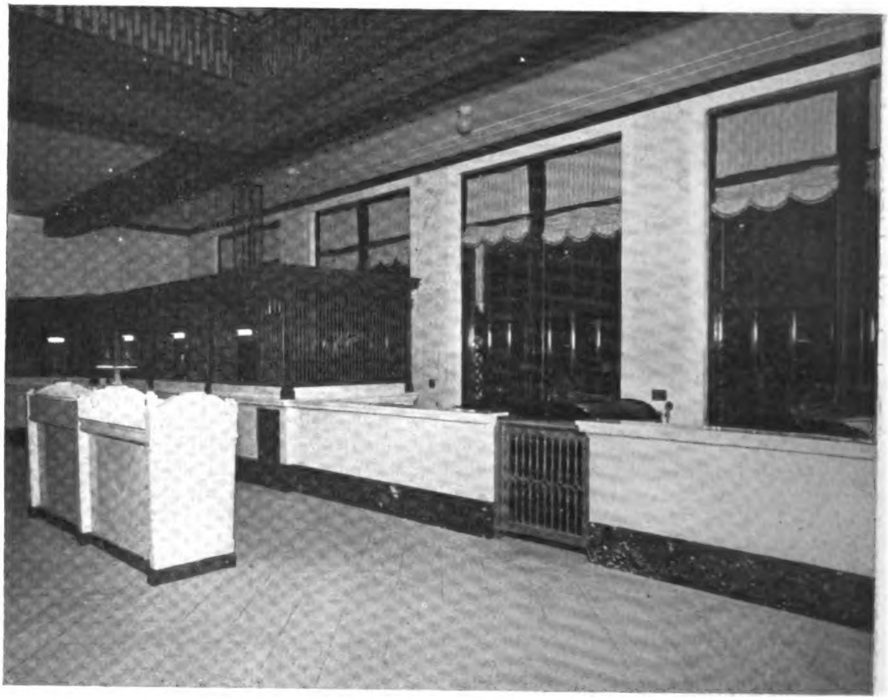
MODERN FINANCIAL INSTITUTIONS AND THEIR EQUIPMENT

COMMONWEALTH TRUST COMPANY, BOSTON.

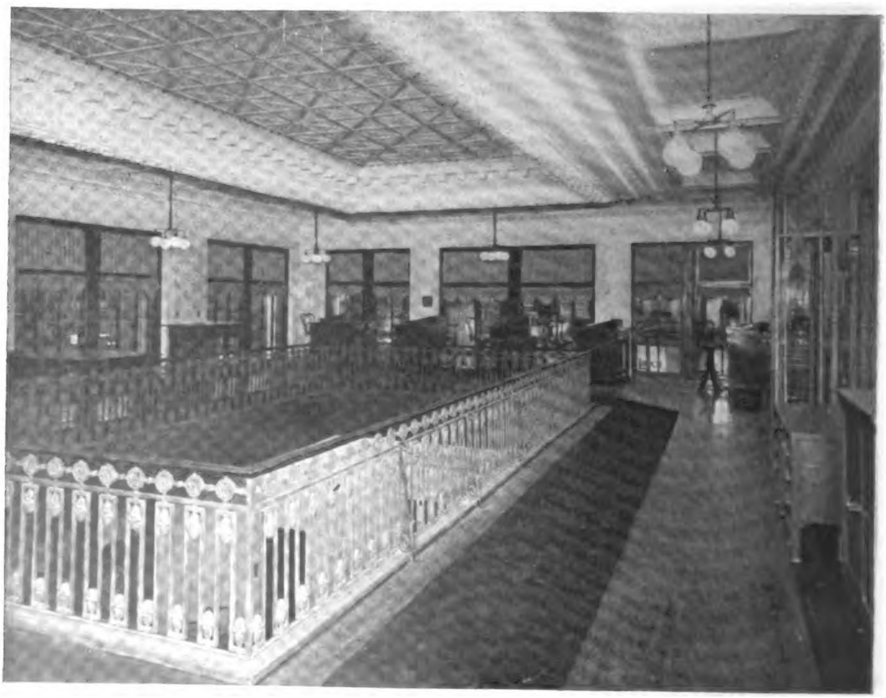
THE new home of the Commonwealth Trust Co., of Boston, at the corner of Devonshire and Summer streets, is one of the finest banking structures in the city. It is built of white Lee marble, after the style of the Italian Renaissance, and presents a handsome and imposing appearance. This effect is heightened by the use of two fluted Corinthian pillars on the Summer street side and by the very artistic treatment of the large windows. A marble vestibule with doors of quartered oak trimmed in bronze leads to the main banking room which is panelled in marble with counters of mahogany. This room rises to the full height of the building, and is splendidly lighted and fitted with every modern facility and convenience known to the banking world. The president's room on the main floor is finished in San Jago mahogany with furniture of special design; the directors' room on the mezzanine floor is furnished in a correspondingly handsome manner. The vaults and storage facilities in the basement are thoroughly modern in type, and give further evidence of the intention of the company to furnish its patrons with the best of banking accommodations.

The Commonwealth Trust Co., which is one of the most progressive banking institutions in Boston, commenced business on April 27, 1904, succeeding at that time to the interests of the Colonial National Bank. The latter bank was itself the successor of the Manufacturers National and Continental National banks in 1898. The charter under which the company operates was granted

Commonwealth Trust Company, Boston.



Main Banking Room.



Working Space, Mezzanine Floor.

by the Massachusetts legislature to the Manufacturers Trust Co. of Holyoke. This charter was later purchaseu by Mr. David J. Lord, at that time president of the Manufacturers National Bank, and his associates, and the Commonwealth Trust Company was formed with Mr. Lord as president.

In July, 1904, a branch office was established in the vicinity of the North Station, and now forms an important part of the company's business. Mr. Lord has been ably assisted as vice-president and treasurer by Mr. Arthur P. Stone, who was formerly assistant cashier of the Third National Bank of Boston and later with the National Shawmut Bank.

The strength and standing of the company is further indicated by the personnel of the board of directors, which is as follows:

S. Reed Anthony, of Tucker, Anthony & Co., bankers; George L. Batchelder, of Batchelder Bros., coal; Walter C. Baylies, of Amory Browne & Co., dry goods; Junius Beebe, of Lucius Beebe & Co., leather; Albert L. Brown, of Brown, Riley & Co., stock brokers; Walter G. Garritt, vice-president United States Leather Co.; William A. Gaston, of Gaston, Snow & Saltonstall, attorneys at law; Otis Kimball, trustee; David J. Lord, president; Joseph P. Manning, of McGreenery & Manning, tobacco merchants; Frederick S. Moseley, of Frederick S. Moseley & Co., bankers; importers and grocers; H. Staples Potter, A. Wilder Pollard, of Wood, Pollard & Co., of Potter & Wrightington, canned goods and cereals; James M. Pendergast, of J. M. Prendergast & Co., cotton goods brokers; Henry H. Proctor, president Proctor, Ellison Co., tanners of sole leather; George F. Putnam, president Hill Manufacturing Co.; William B. Rice, of Rice & Hutchins (Inc.), manufacturers of boots and shoes; James L. Richards, president Boston Gas Light Co.; Horace B. Shepard, president Shepard & Morse Lumber Co.; A. Shuman, of A. Shuman & Co., wholesale and retail clothing; Charles F. Smith, treasurer, Oliver Ditson Co.; Charles G. Smith, president Institution for Savings in Roxbury; Thomas C. Thacher, of T. C. Thacher & Co., wool; Edwin S. Webster, of Stone & Webster, electrical engineers; Edward B. Wilson, of Wilson, Larrabee & Co., wholesale dry goods; Robert Winsor, of Kidder, Peabody & Co., bankers.

Directors' Room.

Safe Deposit Vault.

The report of the company to the Massachusetts Bank Commissioner as of October 31, shows:

ASSETS.

Massachusetts bonds	$250,000.00
Other bonds	580,175.00
Loans	6,907,576.40
Overdrafts	309.65
Real estate	422,030.42
Premium account	6,000.00
Cash on hand and in banks	1,861,309.44
Total	$10,027,400.91

LIABILITIES.

Capital	$1,000,000.00
Surplus and undivided profits	829,882.97
Deposits	8,197,517.94
Total	$10,027,400.91

CHARGING THREE TIMES MORE THAN COMPETITORS.

THE official minimum discount rate at the Bank of France is one of the lowest in Europe; yet at the same time, the disparity between it and the rate of other lenders in the open market is wider than any. The Bank of England will not lend under 2½ per cent., although 1⅜ prevails with other institutions, and the Bank of Germany asks 4 per cent., while loans can be had, elsewhere in Berlin, at 2¾. But the Bank of France has held to its 3 per cent. minimum when borrowers could get money elsewhere in Paris at less than 1 per cent.

How can a bank get any business under such conditions? The question is answered by the Paris correspondent of the London "Economist:"

The greater part of the business of the Bank of France is not in Paris, but in the provinces. The profits in the branches in 1907 amounted to £1,587,872, against £1,081,994 in Paris, and the difference was mainly in the discount and lending businesses. The result is obtained by the extension of the operations of the bank throughout France. It had at the end of last year 127 regular organized branches in the provinces, 55 auxiliary bureaus, and, in addition, connections with 284 other localities, making in all 466 places outside of Paris on which bills might be negotiated at the bank.

The Bank of France is an essentially democratic institution, as by its statutes it is bound to accommodate on uniform terms the smallest trader who applies for discount if the security is good. Even in Paris, where the number of bills taken in last year was 7,503,527, 48 per cent. of the total, or 3,646,929, were for sums of from 4s. to £4, and the average amount for the whole of France, Paris, and the branches was under £29 6s., which was an advance on the £27 6s., of 1906. With the immense volume of business it has to direct the bank can afford to neglect the small profits to be made by competing for bills at a barren rate of discount.

MONEY, TRADE AND INVESTMENTS

BEGINNING with the January number the date of publication of THE BANKERS MAGAZINE will be changed from the 20th to the 1st of the month, the January issue being sent out January 1. Owing to this change in the publication date, the usual article on "Money, Trade and Investments" is omitted this month, but will be found in the January issue and thereafter as usual.

BANK AND TRUST COMPANY STOCKS.

Corrected to December 1, 1908.

NEW YORK BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 120 Broadway, New York.

	Div. Rate.	Bid.	Asked.
Aetna National Bank	8	165	175
Amer. Exchange Nat. Bk.	10	240	...
Bank of America	26	545	560
Bank of the Manhattan Co. (par $50)	12	300	315
Bank of the Metropolis	16	375	400
Bank of N. Y., N. B. A.	14	300	310
Bank of Washington Heights	..	260	...
Battery Park Nat. Bank	..	115	125
Bowery Bank	12	325	...
Bronx Borough Bank	..	300	...
Century Bank	6	170	195
Chase National Bank	6	250	...
Chatham National Bank (par $25)	16	290	...
Chelsea Exchange Bank	..	190	...
Chemical National Bank	15	410	420
Citizens' Central Nat. Bk.	6	150	155
Coal & Iron Nat. Bank	10	215	...
Colonial Bank	20	850	...
Columbia Bank	12	400	...
Consolidated Nat. Bank	6	120	130
Corn Exchange Bank	16	315	330
East River National Bank (par $25)	6	130	140
Fidelity Bank	..	160	175
Fifth Avenue Bank	100	4000	...
Fifth National Bank	12	310	...
First National Bank	32	750	...
Fourteenth Street Bank	10	...	200
Fourth National Bank	8	200	210
Gallatin National Bank (par $50)	12	350	375
Garfield National Bank	20	285	295
German-American Bank (par $75)	6	135	150
German Exchange Bank	20	475	495
Germania Bank	20	475	510
Greenwich Bank	10	250	275
Hanover National Bank	16	500	525
Importers & Traders Nat. Bank	20	550	560
Irving Nat. Exchange Bk.	8	175	185
Jefferson Bank	10	170	180
Liberty National Bank	20	500	525
Lincoln National Bank	8	490	520
Market & Fulton Nat. Bk.	10	240	260
Mechanics National Bank	12	250	265
Mercantile National Bank	..	145	155
Merchants Exchange National Bank (par $50)	6	160	170
Merchants National Bank (par $50)	7	160	170
Metropolitan Bank	6	160	170
Mount Morris Bank	8	210	...
Mutual Bank	8	290	300
Nassau Bank (par $50)	8	200	210
Nat. Bank of Commerce	8	185	190
Nat. Butchers & Drovers Bank (par $25)	6	150	155
National City Bank	10	320	...
National Copper Bank	..	225	...
National Park Bank	16	440	450
New Netherlands Bank	..	...	220
N. Y. County Nat. Bank.	40	750	...
N. Y. Produce Exchange Bank	8	150	165
Night & Day Bank	..	...	220
Nineteenth Ward Bank	12	...	475
Northern Bank	6	...	155
Pacific Bank (par $50)	8	225	250
People's Bank (par $25)	10	290	...
Phenix National Bank (par $20)	6	150	165
Plaza Bank	20	600	...
Seaboard National Bank	10	350	...
Second National Bank	12	350	...
Sherman National Bank	..	125	140
State Bank	10	250	...
Twelfth Ward Bank	6	150	200
Twenty-third Ward Bank	6	100	...
Union Exchange Bank	10	180	200
West Side Bank	12	500	...
Yorkville Bank	16	400	...

NEW YORK TRUST COMPANY STOCKS.

	Div. Rate.	Bid.	Asked.
Astor Trust Co.	..	290	315
Bankers Trust Co.	16	440	...
Bowling Green Trust Co.	20	325	340
Broadway Trust Co.	6	130	140
Brooklyn Trust Co.	20	390	...
Carnegie Trust Co.	..	155	175
Citizens' Trust Co.	..	115	125
Central Trust Co.	80	1725	...
Columbia Trust Co.	..	225	...
Commercial Trust Co.	..	140	150
Empire Trust Co.	8	235	...
Equitable Trust Co.	12	390	410
Farmers Loan & Trust Co. (par $25)	40	1140	...
Fidelity Trust Co.	..	195	210
Fifth Avenue Trust Co.	12	...	425
Flatbush Trust Co.	8	230	250

	Div. Rate.	Bid.	Asked.
Franklin Trust Co.	8	195	...
Fulton Trust Co.	10	240	...
Guaranty Trust Co.	20	510	...
Guardian Trust Co.	..	170	180
Hamilton Trust Co.	10	270	280
Home Trust Co.	4	100	...
Hudson Trust Co.	..	130	...
Kings Co. Trust Co.	12	440	460
Knickerbocker Trust Co.	..	300	...
Lawyers' Mortgage Co.	10	215	...
Lincoln Trust Co.	..	165	175
Lawyers' Title Ins. & Trust Co.	12	220	...
Long Is. Loan & Trust.	12	260	...
Manhattan Trust Co. (par $30)	12	350	400
Mercantile Trust Co.	20	750	775
Metropolitan Trust Co.	24	510	530
Morton Trust Co.	20	410	...
Mutual Alliance Trust Co.	8	120	150
Nassau Trust Co.	8	150	170
N. Y. Life Ins. & Trust Co.	50	1050	...
N. Y. Mtg. & Security Co.	10	135	150
N. Y. Trust Co.	32	525	...
People's Trust Co.	12	260	300
Standard Trust Co.	10	300	340
Title Guar. & Trust Co.	16	410	425
Trust Co. of America	..	295	305
Union Trust Co.	50	1050	1150
U. S. Mtg. & Trust Co.	20	325	...
Van Norden Trust Co.	10	...	250
Washington Trust Co.	12	400	...
Windsor Trust Co.	6	125	135

BOSTON BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 60 Congress St., Boston.

Name.	Div. Rate.	Last Sale.
Atlantic National Bank	6	140
Boylston National Bank	4	100
Commercial National Bank	6	140
Eliot National Bank	8	195
Faneuil Hall National Bank	7	138
First National Bank	12	312½
First Ward National Bank	8	181½
Fourth National Bank	7	165¾
Merchants' National Bank	10	217¼
Metropolitan National Bank	6	122
National Bank of Commerce	6	160
National Market Bank, Brighton	6	102
Nat. Rockland Bank, Roxbury	8	167
National Shawmut Bank	10	288
National Union Bank	7	165½
National Security Bank	12	*
New England National Bank	6	142
Old Boston National Bank	5	114
People's National Bank, Roxbury	6	130
Second National Bank	10	215¼
South End National Bank	5	100
State National Bank	7	154¼
Webster & Atlas National Bank	6	147⅜
Winthrop National Bank	12	325

* No public sales.

BOSTON TRUST COMPANIES.

Name.	Div. Rate.	Last Sale.
American Trust Co.	8	345
Bay State Trust Co.	7	*
Beacon Trust Co.	8	185
Boston Safe D. & T. Co.	14	369
City Trust Co.	12	410
Columbia Trust Co.	5	120
Commonwealth Trust Co.	6	160
Dorchester Trust Co.	..	102
Exchange Trust Co.	..	*
Federal Trust Co.	6	130
International Trust Co.	16	400
Liberty Trust Co.	..	*
Mattapan D. & T. Co.	4	150
Mechanics' Trust Co.	6	115
New England Trust Co.	15	309
Old Colony Trust Co.	20	700
Puritan Trust Co.	6	219
State Street Trust Co.	8	*
United States Trust Co.	12	225

* No public sales.

CHICAGO NATIONAL BANK STOCKS.

Reported by Hornblower & Weeks, members New York and Boston Stock Exchanges, 152 Monroe St., Chicago.

	Div.	Bid.	Asked.
Bankers' National Bank	8	190	195
City National Bank, Evanston	10	250	258
Commercial National Bank	12	294	299
Continental National Bank	8	242	248
Corn Exchange Nat. Bank	12	395	402
Drovers Deposit Nat. Bk.	10	216	224
First National Bank	12	424	426
First Nat. of Englewood	10	200	260
Ft. Dearborn Nat. Bank	8	180	190
Hamilton National Bank	5	131	136
Live Stock Exchange Nat. Bank	10	225	230
Monroe National Bank	4	124	133
Nat. Bank of the Republic	8	194	198
National City Bank	6	159	163
National Produce Bank	..	120	126
Oakland National Bank	6	160	...
Prairie National Bank	..	160	...

CHICAGO STATE BANKS.

	Div. Rate.	Bid.	Asked.
American Tr. & Sav. Bk.	8	211	215
Central Trust Co.	7	139	144
Chicago City Bank	10	150	...
Chicago Savings Bank	6	123	127
Colonial Tr. & Sav. Bk.	10	160	170
Drexel State Bank	6	135	...
Drovers Tr. & Sav. Bk.	8	170	180
Englewood State Bank	6	112	116
Hibernian Banking Assn.	8	197	205
Harris Tr. & Sav. Bank.	8	215	...
Illinois Tr. & Sav. Bk.	16-4ex.	495	505
Kenwood Tr. & Sav. Bank	6	113	117
Lake View Tr. & Sav. Bk.	5	108	112
Merchants Loan & Tr. Co.	12	376	388
Metropolitan Tr. & S. Bk.	6	118	122
Mutual Bank	..	116	120
Northern Trust Co.	8	315	330
North Western Tr. & Sav. Bank	6	140	150
Prairie State Bank	8	250	...
Railway Exchange Bank.	4	105	120
Royal Trust Co.	8	180	185
So. Chicago Sav. Bank.	6	125	135
State Bank of Chicago	12	315	330
Stock Yards Savings Bank	6	170	...
Union Bank	6	120	127
Union Stock Yards Bank.	6	120	130
Western Tr. & Sav. Bank	6	130	140
Woodlawn Tr. & Sav. Bk.	6	120	127

BANKING AND FINANCIAL NOTES

NEW YORK CITY.

—The United States Mortgage and Trust Company has issued its 1908 edition of "Trust Companies of the United States." The volume is a compilation of the statements of conditions of trust companies as of June 30, 1908, giving also the officers, directors, correspondents, dividend rates and stock quotations.

—Secretary E. O. Eldredge of the New York State Bankers' Association is to be congratulated upon the handsome appearance of the fifteenth annual report of the association, which has made its appearance. The volume, bound in gold and white, consists of more than 200 pages of the proceedings of the convention which was held at the Hotel Frontenac, Thousand Islands, on July 9 and 10 last.

—The directors of the Knickerbocker Trust Company have decided to anticipate the next five payments of five per cent. each to depositors. The payments will call for $6,250,000 and will provide for all the company's obligations to depositors up to the spring of 1910. It is probable that the remainder of the deposits will be paid within a few months. The company has maintained its total deposits above $36,000,000 notwithstanding the large payments to depositors.

—Abram J. Prager, formerly a member of the firm of Morris Prager Company, and well known in the diamond trade, has been elected a director of the Mercantile National Bank, in place of E. D. Street.

—Stockholders of the Empire Trust Company have ratified an increase in its capital from $500,000 to $1,000,000. The new capital will be provided by a dividend of fifty per cent., amounting to $250,000, and the balance will be subscribed in cash. The new stock will sell at 150.

—Supplementing their action in increasing the capital from $500,000 to $700,000, the stockholders of the Mutual Alliance Trust Company of New York have increased the number of directors from fifteen to thirty. The following men well known in banking and commercial circles have been added to the board of directors: Logan C. Murray, president American National Bank, Louisville, Ky.; Asa G. Candler, president Central Bank and Trust Corporation, Atlanta, Ga.; Emerson McMillin & Co., bankers, New York city; C. P. Ellis, of C. P. Ellis & Co., cotton merchants, New Orleans, La.; L. P. Hillyer, vice-president American National Bank, Macon, Ga.; Atmore L. Baggot, of Carpenter, Baggot & Co., New York city; Silas Swartz, president New York Button Works, New York city; George T. Dexter, vice-president Mutual Life Insurance Company of New York; Frank B. Hayne, cotton merchant, New Orleans, La.

—Once more the Assets Realization Company has come prominently before Wall Street through an announcement that a stock dividend of $3,000,000 or 100 per cent. has been declared.

The stock dividend will supply $3,000,000 of the $7,000,000 new capital. This is the company which sought to liquidate the affairs of the National Bank of North America, and would have completed the work but for an entanglement in which C. W. Morse and the Comptroller's Department at Washington became involved.

The Assets Realization Company is a sort of hospital for ill and dying corporations. It charges substantial fees for its work of rehabilitation and succoring the weak industrial, financial and railroad corporations. It is largely controlled by W. H. Jenks, of Philadelphia, and other Girard Trust Company capitalists. Charles D. Barney is also a director.

With its capital of $10,000,000 the Assets Realization Company can now tackle big jobs. A certificate of incorporation in-

creasing the capital has been filed in Trenton.

—On December 15 the First National Bank of Brooklyn will enter its new building at Broadway and Havemeyer streets, bordering the Williamsburg Bridge plaza. This structure was started June 1 and has cost $100,000. It is a big limestone structure, standing on a plot 40 feet wide by 104 feet long, which was purchased for $70,000. It is a half dozen blocks from the old building, at Broadway and Kent avenue, and in a much more conspicuous position.

The new building is more than a bank building. Only the first floor and the basement will be used by the banks, the three upper stories being fitted out as offices. The building is of the modern French type of architecture. The interior of the banking room, which is 38 feet wide and 100 feet long, is finished in marble and mahogany. The rooms of the president, cashier and directors on this floor are similarly furnished. The screen shutting off the space within which the employees will have their desks will be of marble, with the upper portion of mahogany, with bronze grilles. On this floor and in the basement will be the safe deposit vaults, with more than one thousand boxes. The office upstairs will be finished in oak.

The bank was organized in 1864 and has occupied its present building for many years. It is the third largest institution of its kind in Brooklyn. Its officers are: Joseph Huber, president; Marshall S. Driggs, vice-president, and William S. Drish, cashier. The directors are Mr. Huber, Mr. Driggs, J. W. Weber, J. J. Cooney, M. L. Reynolds, S. H. Coombs, T. F. Jackson, Moses May and John Probst.

—On November 11, the Greenpoint Savings Bank of Brooklyn held an informal reception in its new building at Manhattan avenue and Calyer street and on the following day the doors were opened for business. The new structure is in the Greek Doric style and is in every particular modern in its arrangement and fittings.

On January 11, 1909, the Greenpoint Savings Bank will celebrate its fortieth anniversary and it is a source of gratification to the officials that the bank has this new home ready for that occasion.

—State Banking Superintendent Williams has granted the application of the Brooklyn Bank for leave to open a branch office at 262 Fulton street, in the Borough of Brooklyn, on the removal of the main office of the Brooklyn Bank in the city of New York from that location and the abandonment of the branch office heretofore conducted at 27 Flatbush avenue.

Superintendent Williams also has granted the application of the Corn Exchange Bank of New York city for permission to open a branch office at Bridge plaza, corner of Hunter avenue and Academy street, Borough of Queens.

The Corn Exchange Bank has also leased a store at the northwest corner of St. Nicholas avenue and 181st street for ten years, and early in January will add another branch office to its already long list.

—Application has been made to the State Banking Department for the incorporation of the Bronx Safe Deposit Company, with a capital of $100,000, situated at Tremont and Park avenues, New York city.

—At the regular monthly meeting of the board of directors of the Mutual Alliance Trust Company November 11, Edward M. Weld of Stephen M. Weld and Co.; Richard Siedenburg of Rhd. Siedenburg and Co., and E. V. Baldwin, cashier Commercial and Farmers' National Bank, Baltimore, were elected directors of the company.

—President Roosevelt on November 13 appointed George S. Terry to be Assistant Treasurer of the United States at New York, in succession to Hamilton Fish.

Mr. Terry served as assistant treasurer of the Republican National Committee under Treasurer George R. Sheldon. He is said to have been recommended to the President by Representatives Van Vechten Olcott and Herbert Parsons of New York, as well as by Mr. Sheldon. The post was offered to Job. E. Hedges, but he declined it.

Mr. Terry for many years has been secretary of the Union League Club of New York, and also has been connected with the Park Commission of that city.

—The Treasury Department at Washington has issued a general circular notifying the holders of United States three per cent. certificates of indebtedness that these will be paid and retired, with a year's accumulated interest, on November 20.

The circular was received by those local banks who had obtained these certificates when issued a year ago as an emergency or "panic" measure. The banks bought the obligations, which were in the nature of a Government bond, and on which they could obtain circulation.

Par was paid for the certificates in cash, but the banks benefited because the Treasury Department agreed to deposit with those buying them seventy-five per cent. of the amount purchased in public funds.

—J. Julian Dick, who has been elected a member of the Stock Exchange, has the distinction of being the youngest member elected to the board in many years. He is only about twenty-two years old and at present is a broker on the Cotton Exchange. His father, Evans R. Dick, of Dick Bros. & Co., recently transferred his Stock Exchange membership to him. Amory Leland, Jr., has also been elected a member of the Exchange.

—Business men from almost every section of Brooklyn were present at the opening of the new quarters of the Brooklyn Bank in the handsome three-story building at 585-587 Fulton street, on the morning of November 16. The sumptuously furnished banking rooms were thrown open for inspection, and depositors and prospective depositors were taken through the building.

The interior of the lower floor presented the appearance of a conservatory of beautiful flowers, for on every side there were floral pieces appropriately arranged. The exterior of the building was almost entirely covered with flags and bunting. Safes of the highest stability have been installed in the deposit vaults in the basement. All the furniture on the main floor is of oak and the whole floor is artistically finished. The directors' rooms are on the floor above the main floor and are plainly but handsomely furnished.

President David O. Underhill in discussing the prospects of the institution said:

> The Brooklyn Bank is a thoroughly local institution, under new and efficient management and splendidly equipped to extend to its patrons all the banking facilities of a thoroughly modern and well-conducted institution. We will try particularly to get the patronage of the women shoppers in the downtown district and we will have special facilities installed for them.

The building at Clinton and Fulton streets, which was formerly the main office of the bank, will now be a branch. Active business began at the new building November 17.

The officers of the bank are David C. Underhill, president; Nelson B. Ayres, vice-president and cashier; Willet G. Rendell, assistant cashier; Frederick W. Flottwell, assistant cashier, and Oliver M. Denton, manager.

—Victor H. Metcalf, Secretary of the Navy, has resigned his office and Truman H. Newberry, now Assistant Secretary of the Navy, succeeds him in the Cabinet.

President Roosevelt, in accepting the resignation expressed genuine sorrow at losing such an able Cabinet Minister and supporter and declared that the resignation was accepted only because Mr. Metcalf's health will not permit him to remain in office longer.

—James S. Gross, for a number of years assistant cashier of the Mount Morris Bank, has become associated with the firm of W. J. B. Mills & Co., 36 Wall street.

—At a regular board meeting of the Nassau Bank, held November 18, Edward Earl, cashier, was chosen to succeed the late William H. Rogers as president. This honor has come to Mr. Earl after twenty-two years of faithful service in the bank, the past two years in the capacity of cashier. During the long illness and since the death of Mr. Rogers, much of the active management of the bank has rested upon Mr. Earl, so that his new duties are not unfamiliar to him.

—Representatives of boards of trade and mercantile organizations in many cities met in New York November 18 by invitation of the Merchants' Association in what was announced as a "preliminary conference to consider measures for the reform of the national currency system."

The topic particularly under discussion was whether a national currency reform convention, comprising delegates from all the commercial bodies of the country, should be held. The conferees, however, after prolonged consideration, decided that in view of the existence of a national currency commission, appointed by act of Congress, it was not expedient at the present time to call such a convention.

It was determined, however, that steps should be taken to effect a national organization for the purpose of promoting the cause of sound money. To this end the appointment of a committee was authorized, to invite the co-operation of commercial and civic bodies in the work and aid them in the careful study of currency matters and the formulation of such legislation as may be necessary to accomplish the desired reforms. Appointments to the committee to give effect to the resolutions adopted included Finley Acker, of the Philadelphia Trades League.

—It is announced that the American Bank Note Company has closed negotiations for the purchase of 123 lots in the Bronx and will erect there a large building or group of buildings to accommodate its entire plant, which is now located at 86 Trinity place.

The new plant will open with 2500 employees, but this number may be increased to 5000.

The American Bank Note Company has a capital of $10,000,000, with printing establishments and sales offices in Boston and Philadelphia and sales offices in Baltimore, Pittsburgh, Atlanta, St. Louis and San Francisco. The American Bank Note Company of Canada, organized under a Dominion charter, is affiliated with it.

One of the first orders received by the company soon after its organization in 1775 came from Paul Revere, of the midnight ride fame, and was for £100,000 of bank notes.

—Stockholders of the European-American Bank have voted to increase the capital stock from $100,000 to $200,000. It is understood that it is the purpose of the directors of this bank to apply for a national charter and the authorization of the increase to the capital is a preliminary step to that end.

—At a meeting of the Liberty National Bank directors Z. S. Freeman, a vice-president of the Merchants National Bank, was elected a vice-president. It was also decided that the office of second vice-president be abolished and Charles W. Riecks was elected a vice-president of the bank, which office he is to hold together with that of cashier.

—Many writers have remarked upon the strength which the trust companies throughout the country showed a year ago during the panic. Among the New York companies, the Trust Company of America is conspicuous for its great recuperative powers. After a shrinkage of $44,000,000 in deposits from August to December a year ago, and the necessity for borrowing $25,000,000, deposits have been built up again and the loan has been repaid in full. This is conclusive proof that the assets were sound.

—The Far Rockaway National Bank, Queens County, opened its doors for business November 14. The bank purchased the interest of the local branch of the Queens Borough Trust Company, and is capitalized with $50,000. The officers are: President, Harry G. Heyson; vice-president, J. Lauchheimer; cashier, J. L. Stanley; teller, C. X. Rairden.

NEW ENGLAND STATES.

—The Peoples Savings Bank of Brockton, Mass., of which ex-Governor William L. Douglas, the shoe manufacturer, is president, opened its life insurance and old age annuity department on Monday, November 2, 1908.

The recent Massachusetts law permits savings banks to issue life insurance up to $500 and annuities up to $200 a year, the design being to enable working men to supply themselves with old age annuities and life insurance at the lowest possible cost. The banks are not to employ any solicitors or collectors, but will appoint a large number of agencies throughout the state where

applications may be made and premiums paid.

It is expected that this law will in the near future prove to be as beneficial as the law creating the state board of arbitration, which Mr. Douglas as senator twenty-two years ago championed, and under which his immense factories at Brockton have since been operated. Thus again, the ex-governor leads the way in progressive laws for the workingmen of the country, as there is little doubt that other states will enact similar laws in favor of the toilers.

Ex-Governor Douglas is the president of the league formed about two years ago to secure the passage of the necessary legislation and the extension of the system throughout the state, and his bank was the first to vote to avail itself of the authority granted by the new law.

The state branch of the American Federation of Labor, the Boot & Shoe Workers' Union, and over two hundred other labor organizations joined with leading manufacturers, financiers and philanthropists in urging the passage of the law by the Massachusetts legislature.

—Representative W. V. Gaines of Tennessee has called attention to the fact that both New Hampshire and Massachusetts have laws requiring savings banks to guarantee deposits against all loss. The New Hampshire law was passed in 1874 and the Massachusetts law in 1879. The commissioner of banking of Massachusetts in his annual report last January commends the law as having been very effective in preventing runs on banks.

—Charles A. Chapman, cashier of the Athol (Mass.) National Bank has been chosen treasurer of the Chicopee Savings Bank to succeed Russell L. Scott, deceased.

The new treasurer was born in Springfield, Mass., and has been with the Athol bank for the past fifteen years and before that he served as a teller in another bank.

—Directors of the Park National Bank of Holyoke, Mass., have elected Dr. S. A. Mahoney to fill out the unexpired term of their late president, E. L. Munn.

—The Essex Savings Bank of Lawrence, Mass., has paid an extra dividend of one-half per cent. in addition to the regular semi-annual dividend of two per cent. This is a division of surplus earnings, and not, properly speaking, an increase in the regular dividend rate. The earnings of the bank for the past year have been considerably larger than they ordinarily are, owing to the higher rates for which money could be loaned, and also to the fact that deposits have been increased materially. The amount of extra dividend is about $45,000, which, added to the regular dividend of $195,000, makes a total payment to depositors for the six months of $240,000.

—Trustees of the Newburyport (Mass.) Five Cents Savings Bank, at a meeting held recently, declared the regular dividend of two per cent., for the last six months, and carried to the surplus account about four thousand dollars. Notwithstanding the financial depression during the year, the volume of business has been greater than that of any previous year, save that of 1907. The amount due depositors at the present time is $2,167,611.

Previous to the declaring of the dividend, the members of the corporation, at a special meeting, amended the by-laws of the bank, agreeable to an act of the last legislature, so that the dividends can accumulate, at compound interest, until the deposit with interests amounts to $2,000.

—Two of the leading banks of Medford, Mass., the Medford National and the Medford Trust Company, have completed arrangements whereby the trust company

assumes all the accounts and business of the national bank and will hereafter be in the field alone.

Charles H. Barnes, the cashier of the Medford National Bank, has become the treasurer of the Medford Trust Company, but the same clerical force remains. Edwin T. McKnight, the new president, has been one of the active workers in bringing about the consolidation and with the good-will of all the depositors behind him he can soon build up a strong institution.

—Preliminary surveys are being made for the new First National Bank building on Main street, Bangor, Me., and the plans and specifications are now in the hands of contractors who are figuring on them. While the officials of the company have not as yet publicly announced their plans, it is understood that building will commence in the near future and that the bank will take possession of its new quarters as soon as they are ready for occupancy. The building will be of brick, with sandstone trimmings, and will be a decided addition to the street. The building will be used for the bank's purposes entirely, and will be thoroughly adequate and up-to-date in every particular. The structure will be fireproof in every way, including a large vault space, coupon room, private silver vault in the basement, a room specially for lady patrons, and the usual rooms for the directors and bank officials.

—Melville H. Kelly, treasurer of the Saco and Biddeford Savings Institution of Saco, Me., since 1885, has resigned, and Dr. Walter T. Goodale has been elected as his successor. The resignation goes into effect December 31.

—An agreement of considerable importance to the people of Newton, Mass., has been reached by the Newton Trust Company with the Newtonville Trust Company whereby they are to work together in their efforts to serve their patrons and develop their business. This has been brought about through the purchase by the Newton Trust Company of a certain amount of stock in the Newtonville Trust Company and the purchase of stock in the Newton Trust Company by Newtonville stockholders.

Congressman John W. Weeks retires from the presidency of the Newtonville Trust Company and enters the Newton Trust Company as director and vice-president. Mr. Sidney Harwood and Mr. G. Fred Simpson, vice-president of the Newton Savings bank, both formerly of the Newtonville board, enter that of the Newton Trust Company. Mr. Dwight Chester, under whose presidency the Newton Centre Trust Company enjoyed exceptional prosperity, succeeds Mr. Weeks as president at Newtonville, and enters their board. Mr. Seward W. Jones and Mr. Frank L. Richardson also enter the Newtonville board, Mr. Richardson as vice-president.

These two trust companies, working in harmony with their combined strength, expect to be able to serve their patrons to much better advantage than they could independently of each other. They hold at present seven-eighths of the banking business of the city. They have arranged with each other so that depositors of either company can use the offices and facilities of the other whenever they may find it convenient to do so. This means that any one of their depositors may make deposits or cash their checks whenever they please either at Newtonville, Newton Corner, or Newton Centre for their account in whichever office they may carry it.

—With the approval of the Rhode Island State Board of Bank Incorporations, William T. Goodwin, the State Bank Commissioner, on November 4 took control of the Central Trust Company of Providence, R. I., and applied to the Superior Court for the appointment of a receiver and for the issuance of an injunction to restrain the bank from doing business, claiming that it was hazardous for the public to deposit their funds with the institution.

Mr. Goodwin states that the bank has failed to comply with certain state banking laws. He expressed the opinion that

liquidation will not result and that the 3,000 depositors will suffer no loss.

The Central Trust Company was incorporated in 1900 with $100,000 capital. Alfred T. Ward is president and secretary and Alfred F. Davis treasurer. The company's last statement showed resources aggregating $240,757. The liabilities included the capital stock of $100,000 and deposits of $127,228.

—At the annual election of officers of the Kingston Trust Company, Kingston, R. I., the following were chosen: President, Charles J. Greene; vice-president, J. W. P. King, clerk of corporation, Thomas J. Hoxie, secretary and treasurer, Millard F. Perry; board of trustees, Charles J. Greene, J. W. P. King and Oliver Watson.

EASTERN STATES.

—John O. Miller, treasurer of the Monongahela Trust Company of Homestead, Pa., has been elected secretary and treasurer of the Peoples Savings Bank of Pittsburgh, as the successor of James K. Duff. Mr. Duff is now connected with the bond house of J. S. & W. S. Kuhn.

—At a board meeting of the First National Bank of Pittsburgh, held recently, Alexander Murdock and William McK. Reed were elected assistant cashiers.

Mr. Murdock received his training as a banker in the Bank of Pittsburgh National Association and later with the Pittsburgh Bank for Savings, of which he was assistant treasurer. Mr. Reed has been connected with the First National Bank for 16 years, and his election is in the line of deserved promotion. Under the management of James S. Kuhn as president; William S. Kuhn and J. L. Dawson Speer, vice-presidents; F. H. Richard, cashier, and Thomas C. Griggs, Alexander Murdoch ana William McK. Reed, assistant cashiers, the directors of the bank feel confident that its affairs will be most ably administered.

—At a meeting of the stockholders of the United Savings Trust Company of Pittsburgh, a new banking institution recently chartered under the laws of Pennsylvania, Senator R. J. Cunningham was elected president; E. Arch. Cohen, who has long been identified with the realty business of Pittsburgh, as president of the U. S. Realty Company, was elected first vice-president;

William T. Lyon, second vice-president, and Charles C. McKallip, secretary and treasurer. The directors are R. J. Cunningham, E. Arch. Cohen, William T. Lyon, R. L. McKallip, John E. Fitzgerald, Dr. W. H. Kirk, Louis Himmelrich and J. D. Arnold. The bank rooms at 327-329 Fourth avenue are occupied jointly by the U. S. Realty Company and the United Savings Trust Company. Every convenience for the transaction of a general banking and realty business is provided for. The First National Bank of Pittsburgh has been selected as clearing-house agent.

—The Pittsburgh Clearing-House Association has decided to not organize a national association.

—George Stevenson, of Sailer & Stevenson, has been elected vice-president of the Philadelphia Stock Exchange in place of Robert Glendinning, resigned. Mr. Stevenson has been a member of the Exchange for nearly 40 years and is a member of the governing committee. He is also chairman of the trustees of the gratuity fund and is a trustee of the Stock Exchange.

—Directors of the Tradesmen's Trust Company of Philadelphia have declared the regular semi-annual dividend of 3 per cent., payable December 15 to stockholders as registered December 5. This is the thirty-second dividend paid by this company.

—Two new directors, F. K. Larkin and Elmer P. Brode, have been added to the board of the Mutual Trust Company of Philadelphia.

—State Senator Ernest L. Tustin has been elected a director of the Belmont Trust Company of Philadelphia and William Milnes has been chosen secretary and treasurer.

—Anson A. Maher has retired from the vice-presidency of the First Mortgage Guarantee and Trust Company of Philadelphia. His successor was not announced.

—The Central Bank of Philadelphia will move about January 1 to its new headquarters in the Lafayette building at the northeast corner of Fifth and Chestnut streets, where it will have double the room of its location, 111 South Fourth street. The Central Bank began business February 13, 1865, at 109 South Fourth street, being organized largely through the effort of George M. Troutman. It stands fifteenth among the national banks of Pennsylvania.

—Charlemagne Tower, former United States Ambassador to Germany, has been elected to the directorate of the Commercial Trust Company of Philadelphia. The board now consists of twenty-one members.

—Application has been made at Harrisburg, Pa., for a charter for the Importers and Traders' Bank, which it is proposed to open about January 1. The bank is to be capitalized at $50,000, although this may be increased, as subscriptions of about $68,000 are said to have been received.

—The Delaware County National Bank, of Chester, Pa., has added $50,000 to its surplus fund, making the total $600,000, just double its capital. This speaks well for a bank's enterprise when it can keep a surplus fund double its capital.

—On November 10 the First National Bank of Bainbridge, Pa., opened its doors for business. The bank has been properly installed in the house of W. T. Wirth. It is equipped with a modern burglar-proof safe and fireproof vault. A savings fund department has been inaugurated to encourage small savings. The bank starts business with a capital of $25,000. The officers are: B. F. Hoffman, president; C. S. Manning, first vice-president; I. Scott Smith, second vice-president; J. Oliver Fry, cashier.

—Rufus Keisler, Jr., secretary and treasurer of the Ironbound Trust Company of Newark, N. J., delivered an address on banking before the Newark Association of Credit Men, on the evening of November 3. Speaking of the scheme to bring all the banks of the country into some kind of harmonious arrangement, Mr. Keisler said:

While the science of banking has been remarkably developed in the last decade, the facilities offered by the institutions of this country have not reached that pinnacle of efficiency of which they are capable.

Definite progress along this line will

undoubtedly be made when the larger banks inaugurate a system of branch banking, which can be adapted to the conditions peculiar to our country.

In doing this it will bring to the farmer and small merchant of our rural districts the advantages of the resources of the strong city banks, and thus permit the enjoyment of credit facilities which are now more or less restricted.

As an illustration, to show that this feature of banking has received some attention by what are known as the newer countries, I might remark that Canada some years ago decided it was worthy of serious consideration. Since then branch banks have been installed in most all of the smaller towns of that country, and with such marked effect on the welfare of its inhabitants and general development of that country's resources that it is worthy of more than passing notice.

Though comparatively little work has been done in the past, yet the bankers of this country are slowly beginning to realize the necessity for some action having for its object the education of the people to a better understanding of a bank's true function.

To a lack of this knowledge can be attributed in part that want of friendly feeling and co-operation on the part of some of the people which has too long existed in the past.

It is to be hoped that with the knowledge of this need the bankers in the future will endeavor by both precept and example to help encourage a more friendly spirit, and thus secure that co-operation so essential to ideal conditions.

—John W. Crooks has resigned as secretary and treasurer of the Federal Trust Co. of Newark, N. J. Winton C. Garrison, vice-president of the company has been chosen to fill the office of treasurer, and Edward T. Maguire, trust officer, takes charge of the duties of secretary. The appointments are thought to be only temporary.

—The National Bank of West Virginia, Wheeling, W. Va., the oldest bank in the state, now occupies its remodeled and refurnished banking house. Many changes have been made and the officers have spared no trouble or expense to make the quarters convenient and attractive. Several new rooms have been built including rooms on the second floor, formerly used as a residence, and the whole interior has been finished in light quarter-sawed oak, supplemented with handsome counters and brass grilles. A new double vault weighing nearly sixty tons has replaced the old one and safety deposit boxes are provided for customers.

Earl W. Oglebay is president of the National Bank of West Virginia; W. B. Irvine is vice-president; Joseph F. Paull, second vice-president; and Baird Mitchell, cashier.

—On November 3, the new building of the Pikesville (Md.) National Bank was open for inspection and officers were at the bank during the day to welcome all visitors. The officers are: President, Paul A. Seeger; vice-president, Harry M. Benzinger; cashier, Charles K. Hahn.

—At a meeting of the stockholders of the Manufacturers and Merchants' Bank of Gloversville, N. Y., it was decided to increase the capital stock from $150,000 to $200,000. A proposal to convert the bank into a national institution was considered and met with great favor with stockholders. It is probable that the change will soon be consummated.

The increase in the capital stock will be made by the sale of 500 shares at $300 a share. In the event that the change to a national bank is made, the bank will be named the City National Bank. The Manufacturers & Merchants' Bank was organized in 1887, with a capital stock of $500,000, which has been increased at various times to the present amount.

—Affairs of the new Farmers' National Bank of Union, N. Y., are fast shaping themselves and it is now certain that Union will have a model bank within comparatively few months. A meeting of the stockholders was held recently and many matters pertaining to organization were transacted. One of the important transactions was the election of the following directors: D. C. Warner, Elmer B. Lacy, F. E. Day, C. E. Warner, W. S. Pierce, E. M. Andrews, T. A. MacClary, Alfred McHenry, Jacob Swartwout, George B. Ross and L. J. Brown.

At the conclusion of the stockholders' meeting the directors met and elected the following officers:

Eugene M. Andrews, president; Thomas A. MacClary, first vice-president; William S. Pierce, second vice-president, and David C. Warner, cashier.

MIDDLE STATES.

—The latest statement of the Peoples Loan and Trust Co. of Winchester, Indiana, shows total deposits of $320,000 as against $250,000 September 30, 1907, and $84,000 September 30, 1902.

—Following closely after the resignation of the chief executive officers of the National Bank of Commerce, Kansas City, comes the announcement that the Union National Bank with deposits of $13,000,000 has been absorbed by the National Bank of Commerce.

The Union National was one of the oldest financial institutions in the city, and by combining the two the Commerce will have a total of $31,500,000 in deposits. Ferdinand P. Neil, vice-president of the merged Union National, is said to be slated for the presidency of the National Bank of Commerce, the position left vacant by the resignation of William Barret Ridgely, former Comptroller of the Currency.

The following letter dated November 19, and signed by Wm. B. Ridgely, Geo. T. Cutts and Edward Ridgely, has been sent out to directors and shareholders of the National Bank of Commerce:

Rather than prolong any contest for the control of the management of the National Bank of Commerce in a way which might injure the business of the bank, the chief executive officers have resigned to-day. In doing so they desire to make this statement to the board of directors and the shareholders of the bank.

When the bank resumed business March 30, 1908, its deposits were nominally $11,850,130.56, but really about $11,000,000 on account of the checks outstanding given in payment for the new stock of the bank, the Commerce Building bonds and the subscriptions to the Terrace City Realty Co. From the first day the deposits steadily increased, and for the month of October they have varied between $17,500,000 and $18,500,000, an increase of over $7,000,000, or more than sixty per cent. The profits of the bank from March 30 to November 17, 1908, have been $248,195.31, or about 12.4 per cent. on its capital stock. The gross earnings of the bank have shown a steady increase each month and the expenses have as steadily diminished. The total pay roll for November, 1908, including officers' salaries, will be $1,400 less than for April, 1908, and $10,000 less than for November, 1907, the last month before the suspension.

The statement of the bank November 17, 1908, shows:

Capital stock	$2,000,000.00
Surplus	203,759.95
Undivided profits earned since March 30, 1908	248,195.31
	$2,451,955.26

These figures show conclusively with what success confidence in the bank has been restored. The directors of the bank know by what methods this has been accomplished. They have met in almost daily session for about seven months. Every loan which has been made has first been submitted to them and discussed fully in the open board. Every important transaction of the bank has either been discussed in advance or reported to the board promptly after it has been concluded. The daily statement of the bank's condition has always been on the table in board meetings, with the amount of the cash reserve and the amounts on hand with our correspondents. No information asked for by a member of the board has ever been refused, and the directors have all been encouraged to keep themselves fully posted in regard to the bank's business as it was transacted. The officers have asked for and received the cordial assistance of the board. At every meeting everything has been laid on the table and all has been open, frank and above board.

The officers have devoted themselves assiduously to their duties and have worked hard and faithfully to build up the bank from the disorganized condition in which they found it. No officer has borrowed one dollar from the bank. They have not dealt in the stock of the bank or endeavored to manipulate the stock for the purpose of controlling the management. Depending on the record they made for the benefit of all the shareholders to secure their support,

and relying on the assurances made when they took charge of the bank that successful management would insure their continuation in office, they have worked honestly, faithfully and conscientiously for the shareholders' interests only, with no thought or purpose save the welfare of the bank. The results show for themselves. There is nothing to explain or apologize for. The officers know they have done their duty. The results show that what they undertook to do when they were elected has been successfully done, and they feel they can, without egotism, be justly proud of this result.

The bank is in fine condition, well organized, has good, clean assets, growing deposits, and is such an institution as Kansas City and the Southwest needs and should support. For the sake of Kansas City, the customers and shareholders of the bank, we wish it abundant success.

—At the monthly meeting of the directors of the Chicago Savings Bank and Trust Company, Houston Jones, formerly of the Mercantile Bank and Trust Company of Boulder, Colo, and vice-president of the Colorado Bankers' Association, was made cashier. John A. McCormick, formerly cashier, was made vice-president of the institution. Mr. McCormick, before his connection with the Chicago bank, was financial manager for William H. and J. H. Moore.

—Changes of which John Alexander Dowie never dreamed are taking place in Zion City. A new and a greater Zion of factories on the site of the old is the plan of Reeiver Gus D. Thomas.

Marshall Field & Co. of Chicago have bought lots and will start a store and a bank, it is claimed.

—The Northwest Savings Bank of Chicago, at Milwaukee and North avenues, will be incorporated as a state bank after January 1, under the name of the Northwest State Bank and with a capital of $200,000. The business and assets of the present institution will be taken over. The stock of the new bank will be sold at $110 a share, $10 of the amount being used to pay for the good will of the present institution and its supplies and for expenses of reorganization. Joseph R. Noel, proprietor of the present bank, will be president of the new one, H. B. Berentson will be vice-president and A. S. Boos cashier.

—Robert B. Armstrong, formerly Assistant Secretary of the Treasury, in a speech before the Chicago Association of Commerce November 11, declared that Chicago, the fourth city of the world, has allowed millions upon millions of insurance premiums to flow through it toward the east unchecked. He declared that the banks of Chicago were without question the peer of any in the world and that they should encourage big companies to locate in their city as it would mean an abundance of money pouring into the city. Ten years from to-day, Mr. Armstrong said, Chicago should have an annual income from insurance premiums of two hundred million dollars.

—Farmers in the vicinity have organized a private bank at Kirkpatrick, Ind., capitalized at $10,000. The following officers were elected: James Peterson, president; Gill Wright, vice-president, cashier and bookkeeper; directors, Charles Coe, L. C. Grimes, Gill Wright, James Peterson and William Dicks.

—A very successful convention of the Indiana Bankers' Association was held at Indianapolis November 11 and 12.

Henry Clew, of New York was the principal guest and his remarks on "The Monetary and Trade Situation and Prospects" were heard with close attention. President Johnson, in his address advocated the establishment of an elastic asset currency issued by a central bank and branches to banks as loans on acceptable security at a fixed rate of interest. The convention closed with a banquet at the Claypool hotel.

—A consolidation of the Union Trust Company and the Citizens' Trust Company of Indianapolis, Ind., went into effect November 1, the combined companies continuing business under the name of the Union Trust Co. The assets of the Citizens' Trust, it is said, have been taken over at

their book value. The latter company was organized in 1903 and was known as the Citizens' Savings Deposit Company up to a few months ago, when the title was changed to the Citizens' Trust Co. It had a capital of $100,000. Winfield Miller, its president, retires to devote his entire attention to other business interests. The Union Trust Co., which absorbs the Citizens', has a capital of $600,000. John H. Holliday is its president.

—Group 3 of the Ohio State Bankers' Association, and comprising the counties of Lucas, Henry, Williams, Fulton, Defiance, Wood, Seneca, Ottawa and Sandusky, gave its first banquet on November 11 at Bryan. The dinner was given by Williams and Fulton counties, and most of the bankers in the counties named were present. R. D. Sneath, of Tiffin, chairman of Group 3, presided at the banquet which was held at six o'clock. David Forgan, president of the National City Bank of Chicago, delivered an inspiring address.

—Another of the newer financial institutions of Columbus, Ohio, has entered the dividend paying class, the Produce Exchange Banking Company of Town and Fourth, having at a recent meeting of the board of directors declared the first regular semi-annual dividend of three per cent., payable within ten days.

At the annual meeting of the stockholders, held the same evening, Ferdinand Baumann, John E. Brown, George E. Durant, Herman Falter, W. O. Frohock, A. O. Glock, H. R. Isaly, J. P. Pletsch, F. C. Rector, J. J. Tanian, L. M. Ferguson, A. B. Walker, J. Unverzagt, Isaac Wolf and F. R. Pitz were elected directors. The board organized by the election of A. O. Glock, president; J. J. Tanian, vice-president, and A. F. Durant, secretary and cashier.

The reports of the financial officers for the past year showed the bank to have made good progress, the surplus and undivided profit accounting showing a nice increase and good gain also having been made in deposits. The outlook for the coming year was reported as good.

—W. W. Riddle, representative-elect from Logan County, has been elected president of the People's National Bank of Bellefontaine, Ohio, succeeding the late John B. Williams. John E. West succeeds as vice-president. The bank is among the oldest financial institutions in the state.

—The Depositors' Savings and Trust Company of Cleveland, Ohio, of which Mayor Tom L. Johnson was the founder and president, and said to be the principal depository of the Municipal Traction Company, has been absorbed by two Cleveland banks.

The savings accounts, amounting to $805,000, were taken over by the Cleveland Trust Company, and the checking accounts, amounting to $268,000, by the First National Bank. The savings accounts are said to have included $178,000 worth of money orders, representing deposits to be made by non-residents in various parts of the country, the result of advertising soliciting as a savings account business by mail.

It was stated by the officers of the Depositors' Savings and Trust Company and the officers of the two absorbing banks that the liabilities of the absorbed bank were fully secured and that the bank was in good financial condition.

The Depositors' Bank was organized two years ago and was capitalized at $300,000.

—The Metropolitan Bank of Cincinnati will increase its capital stock to $200,000. The new stock will be sold to the present stockholders at $120 per share, and after they have taken what they want the remainder will be offered to the public. The premium will be put into the surplus of the bank.

—Depositors of the failed Chelsea Savings Bank of Chelsea, Mich., have received a dividend of twenty per cent. on savings deposits and five per cent. on commercial deposits. The bank has now paid fifty per cent. on savings and thirty-five on commercial deposits in two dividends.

—A new national bank just organized in Marquette County will have its headquarters at Gwinn, Mich., the model town the Cleveland-Cliffs Iron Company is establishing in the Swanzey mining district, and where a fine building has been erected to house the institution.

The president is William G. Mather of Cleveland, Ohio, who also is the head of the Cleveland-Cliffs Company, a corporation with assets of many millions. The vice-president is W. T. Hopkins of the Munising National Bank, which is also controlled by Mr. Mather, and H. H. McMillan is the cashier.

—An amendment to the articles of incorporation of the International Bank of Cambridge, Wis., increasing the capital stock from $5,000 to $10,000, has been approved. This is one of the last State banks of Wisconsin to make the change. As a result of legislation enacted in 1905 most of the State banks of Wisconsin capitalized at $5,000 increased their capital to $10,000.

—The Italian Mutual Savings Bank of Milwaukee, Wis., the Third ward financial institution of which Sig. Conte, the Italian consul, is president, is to be added to the list of city depositories. The bank, of course, must pledge the required security before city funds will be entrusted to it. At present there are ten city depositories where city funds may be kept. The Italian bank is located at 149 Detroit st.

—The first election of officers of the Wayzata, Minn., State Bank was held recently in Minneapolis. Royal C. Moore of the Moore Boat Works at Wayzata was elected president and Dr. Leo M. Crafts of Minneapolis was elected vice-president.

A committee was appointed to offer the position of cashier to an outside banker. The directors have chosen plans for the new bank as drawn by Lowell A. Lamoreaux and are taking bids for the work.

The cost of the building is limited by law to $2,500, but the structure is to be of ornate concrete exterior and a credit to the village. The building will stand on the main street across from the town hall, and is expected to be finished in sixty days.

—Officers of the Robinsdale State Bank of Robinsdale, Minn., have been elected, and they are preparing for an aggressive campaign for business. The controlling interest of the bank was owned by the late John G. Lund, whose death is reported not to have affected the institution seriously. The new officers are: President, Jesse Van Valkenburg of Minneapolis, executor of the Lund estate; vice-president, Dr. C. H. Wagner; cashier, Thomas H. Girling of Minneapolis; assistant cashier, Gustave Scharf.

—At the last annual gathering of the Twin City Bankers' club, at the Minnesota club, St. Paul, E. W. Decker, vice-president of the Northwestern National Bank, Minneapolis, was elected president, to succeed D. S. Culver, cashier of the National German-American Bank, St. Paul; George H. Prince, vice-president of the Merchants' National Bank, St. Paul, was elected vice-president, to succeed Mr. Decker, and George F. Orde, cashier of the First National Bank, Minneapolis, was elected secretary and treasurer, to succeed E. C. Brown, assistant cashier of the same bank.

After the banquet was served J. B. Forgan, president of the First National Bank, Chicago, who was guest of honor, made a short talk. He confined his remarks to the early days of the banking business in the Twin Cities and the experiences that he had while here.

Informal talks were made by various members of the club on banking subjects. At the banquet table were 60 guests.

—The Minneapolis Y. M. C. A. has opened a school of banking in connection with its other evening classes. There is no school of this kind in the Northwest, the only thing similar in that part of the country being the one opened this fall by the Northwestern University in its downtown school in Chicago.

The whole course will take two years. All the classes will be held at night.

—A new institution, the Security Savings Bank, has opened for business in Greeley, Iowa, in the building formerly occupied by the Bank of Greeley. The officers are: President, W. H. Norris; vice-president, J. D. Chase; cashier, W. P. Harris; assistant cashier, F. B. Wilson.

—Through an unfortunate printers' error the officers of the Cedar Rapids (Iowa) National Bank were incorrectly reported in the last number of the BANKERS DIRECTORY, issued by The Bankers Publishing Company. Although all the officers were given, two additional names were erroneously included.

The officers of the Cedar Rapids National Bank are: President, A. T. Averill; vice-presidents, G. F. Van Vechten and Ralph Van Vechten; cashier, Kent C. Ferman; assistant cashier, Louis Visha; auditor, A. R. Smouse.

—Plans for the construction of a new building for the Vandeventer Trust Company of St. Louis call for an expenditure of $30,000. The new home will stand on the north side of Olive street, just west of Vandeventer avenue, and will be three stories high.

—The National Bank of Commerce of St. Louis has taken over all the commercial deposits and bank accounts of the Commonwealth Trust Company, approximating $9,000,000, by a deal completed today. This puts the National Bank of Commerce, as far as deposits are concerned, at the head of every other bank in the country outside of New York.

The Commonwealth Trust Company is

not to go out of business, merely turning over its banking business to the other institution. It will continue active operations as a trust company, devoting itself exclusively to that feature of its business, together with savings accounts, farm loans and real estate.

Thomas Randolph, president, and W. L. McDonald, vice-president, of the Commonwealth, were elected vice-presidents of the National Bank of Commerce. They will continue in their old positions in the Commonwealth Company.

—A new bank to be known as the Creelsboro Deposit Bank, has been organized at Creelsboro, Ky., with a capital stock of $15,000. The stockholders include twenty-five men of that section, and the success of the new institution seems assured from the start.

—James B. Brown, for some years cashier of the First National Bank, Louisville, Ky., has been elected president of that institution. Brown is prominent politically, and is president of the Board of Sinking Fund Commissioners. He succeeds C. C. McClarty.

—W. J. Thomas was on November 12 chosen as president of the Southern National Bank, having acted in that office for six months. He succeeds James S. Escott, who resigned in May last. The bank reports that it is in a thriving condition.

SOUTHERN STATES.

—The First National Bank of Lenoir, Lenoir, N. C., occupies a new building, which is handsomely finished in marble and mahogany. Great care has been used in the arrangement of the rooms, and the result is a building that is well designed for carrying on a banking business.

T. J. Lutz is president of the bank, and O. P. Lutz, cashier.

—A late statement of the Germania Savings Bank of Charleston, S. C., shows that institution to be in a flourishing condition.

Capital and surplus are the same, both being $80,000. Then there is an undivided profits account of $65,711, and total resources stand at $3,092,498.

A. F. C. Cramer is president; Walter Williman, cashier, and J. A. Gordon, assistant cashier.

—There has been an increase of $20,000 in the capital stock of the First National Bank, Jackson, Ga., or from $30,000 to $50,000. The surplus is given at $10,000 and the deposits at $51,000.

—Charles R. Tidwell has been elected cashier of the new State bank organized at Union City, Ga. At present, until the charter is granted the Harris-Phillips Company, bankers, J. H. Harris, president, will take care of the commercial paper, but this concern will be merged with the new State bank when the charter is granted.

—A second dividend of twenty per cent. has been paid the 9,000 depositors of the Neal Bank of Atlanta, Ga., by the Central Bank and Trust Corporation, the receivers. It amounted in the aggregate to several hundred thousand dollars. The receivers expect to pay a third dividend about the first of the year.

—The Hastings Banking Company, Hastings, Fla., recently organized with a capital stock of $30,000, will erect a new building. Incorporators of company are: J. B. Hughes, R. C. Harris and C. A. Lattan, of Hastings.

—New vaults have been installed in the Cosmopolitan Bank and Trust Company's building at Tampa, Florida.

These vaults are made by the Diebold Safe and Lock Company and are the most modern and up-to-date equipment ever installed in any bank in the south.

—One of the strong banks of the South, the City Bank and Trust Company of Mobile, Ala., shows a very excellent statement under call of October 21. Compared with their statement of June 30, there has been a gain of $29,092 in capital, surplus and undivided profits, which brings the total to date up to $993,221, almost touching the million dollar mark.

With the certainty of a continuance of prosperity and the sound management which has built up its present success the City Bank and Trust Company will exceed this mark before the end of the present year.

—The Citizens Bank, of Bridgeport, Ala., a newly organized bank, formally opened its doors to the public November 5. The capital stock is given at $25,000, with $15,000 paid up. The officers are A. A. Lesueur, Jr., president; L. R. Lea, vice-president; W. A. Farmer, cashier; directors, L. P. Maxfield, Frank Damron, J. P. Freeman, T. M. Jenkins, J. A. Gluck and S. H. James.

All of these directors are well-known business men of the Bridgeport district. Mr. Lesueur, the president, is a young man who, during the past five years, has conducted a private bank at the same place, known as the Bank of Bridgeport, which

institution will be liquidated by the newly organized bank just opened by himself and associates.

The fixtures of the new bank are said to be the finest of any country bank in the entire south. It is the intention of the management of the institution to enlarge its resources in every respect within a very short time. It is now a regularly organized bank.

—The fifth annual stockholders' meeting of the Merchants' Bank of Bay St. Louis, Miss., was held recently at the banking-house. There was a most creditable showing made, evidencing a material increase of business since its organization. A dividend of ten per cent. was declared and a good sum added to the surplus account. All officers were re-elected to serve again. A vote of thanks was given to George R. Rea, cashier, for his efficient and successful management of the bank's affairs.

—A very instructive statement has been issued by the Citizens Bank of Louisiana, New Orleans. Besides presenting a statement of condition of the bank, one page is filled up with what New Orleans is doing and how she is to be the "city of opportunity."

—H. R. Eldridge, active vice-president of the Commercial National Bank of Houston, Texas, whose resignation became effective October 31, has been presented by the employees of the Commercial with a handsome Knights Templar charm, as a token of the esteem in which he is held by those who have worked with him and have grown to love him.

P. J. Evershade, assistant cashier, made the presentation speech, in which he showed himself an orator of no little merit. The presentation took place in Mr. Eldridge's office, and all of the bank employees were present.

—E. R. Johnson, cashier of the Central Bank and Trust Company, of Houston, Texas, has been made vice-president of that institution, and N. A. Sayre, of Temple, has been named as cashier. The change took place November 1. Mr. Sayre has had fifteen years' experience in the banking business and will be an excellent addition to the Houston financial circles. He is a young man of State-wide experience, and his many friends will be glad to learn that he is to make Houston his future home. Mr. Johnson, who becomes active vice-president of the Central, has been a successful cashier, and is therefore qualified to fulfil his new duties.

—Announcement is made that the First National Bank of El Paso, Texas, has increased its capital stock from $300,000 to $500,000, and that it is all subscribed.

—A final dividend of 2 3-10 per cent. has been paid by the receivers of the Citizens National Bank of Beaumont, Texas. This makes a total of 95 3-10 per cent. paid since the bank was closed in May, 1903.

—At a meeting of the board of directors of the First State Bank of Weimar, Texas, it was determined to at once erect a suitable brick building upon the lot recently purchased by the bank people. As soon as the contract can be secured and the material arrives work upon the building will be commenced. It is proposed to invest several thousand dollars in the construction of the building.

—A new banking institution has been organized at Brownsville, Texas, under the new state banking law, the Brownsville Bank and Trust Company, with the following officers: W. W. Lastinger, president; J. L. Landrum, vice-president; E. A. McGary, cashier. The directors have not been named. The bank has applied for a charter and will be capitalized at $60,000, but this will be increased as business demands. Mr. Lastinger was recently with S. W. Slayden & Co. at Waco and Mr. Landrum is a well-to-do stockman and land owner of this section. Mr. McGary has been with the Merchants National Bank here as assistant cashier for some time, but has resigned to accept the cashiership of the new bank. This firm will open for business as soon as furniture and fixtures arrive.

—At a meeting of the board of directors of the City National Bank, of Taylor, Texas, J. J. Thames, a druggist of Taylor, was elected to succeed vice-president Henry T. Kimbro, in the active management of the bank's affairs. Mr. Kimbro having acquired extensive land and banking interests in Lubbock County, has left for Lubbock City, where he will take the cashiership of the First National Bank and look after his realty interests. Mr. Thames, the newly elected vice-president of the City National Bank, came to Taylor some twenty-five years ago.

—At a recent meeting of the stockholders of the Wilson County Bank, Lebanon, Tennessee, it was decided to organize into a national bank and make the capital stock $58,000. The bank was organized in 1898 with a capital stock of $25,000.

WESTERN STATES.

—Articles of incorporation have been filed for the Farmers' State Bank of Lamro, Tripp county, S. D., with a capital of $5,000. Incorporators: D. F. Brinker, C. G. De Boer, Lamro; C. Brinker, Madison; G. De Boer, Hull, Iowa. This bank is going ahead of settlement into the Tripp county country, assured of a population as soon as the claimants who have drawn chances in the late registration begin taking their locations.

—On October 28 the Peoples National Bank of Hot Springs, South Dakota, reported deposits of $83,000.

This bank opened last summer, with a paid up capital of $25,000 and it has been very successful. All of the officers, directors and stockholders are residents of the community which the bank serves and they are determined to make the Peoples National one of the best banks in the state.

J. F. Parks is president; S. L. Kirtley, vice-president and A. C. Forney, cashier.

—The Redfield National Bank of Redfield, South Dakota, is closing a most successful year.

It is only capitalized at $25,000, yet deposits recently ran up over $700,000 and the undivided profits account approximated $12,000. Z. A. Crain is president; E. C. Issenhuth, vice-president, and C. M. Henry, cashier.

The banking quarters are located in the corner room of the Issenhuth building, owned by the vice-president, and are very modern and up-to-date.

—Figures compiled in the office of State Bank Commissioner John Q. Royce show a remarkable growth in the banking business of Kansas in the last four years. They show that four years ago there were 371 state banks in Kansas and that now there are 759 in operation and five more ready to begin operations before the first of the year. These figures also show that four years ago the total deposits in the state banks of Kansas were $53,110,828.41 and that at the time of the last call the total deposits were $83,333,663.08—an increase of thirty million dollars in four years.

Nearly all of the state banks instituted in the last four years have been in the central and western parts of the state. Wherever wheat is the big crop in Kansas new banks are plentiful. There are new state banks in little towns that had scarcely a merchandise store four and five years ago and nearly all of these are in the central and western parts of the state. Figures in Mr. Royce's office show that all of these little banks are prosperous.

—Group V. of the Kansas Bankers' Association met at Hutchinson, November 10, in a business session and banquet. About 150 bankers with their families attended and enjoyed some very helpful talks and a delightful banquet in the evening, enlivened by toasts and after-dinner speeches. G. H. Welch, president of the State Exchange Bank of Hutchinson, is president of Group V.

R. H. DRISCOLL

Cashier First National Bank of Lead, S. D.

—The Roxbury State Bank of Roxbury, Kansas, was opened on November 9, with Charles Lindgren as cashier. Located in one of the richest farming sections of the state, the bank has a bright future and will build up a substantial business here.

—Mrs. John T. Stewart is president of the new State Bank recently opened at Mayfield, Kansas. A. E. Alexander is vice-president and A. H. Derington is cashier. The bank has a capital stock of $12,000 and many of the wealthy farmers living near Mayfield have taken shares in it.

—Plans have been completed for the erection of an eleven-story fireproof building, to be used by the State National Bank of Little Rock, Ark., as their home and also an office building.

This structure will compare favorably with some of the finest buildings of St. Louis, Chicago and New York, and will be constructed of steel, terra cotta and brick.

—Articles of incorporation have been secured by Frank C. Haskett, George Peirsol and D. R. Cummings, all of Oklahoma City, Okla., for the Night and Day Bank, to be located there. The capitalization of the proposed bank is $25,000. As the name would signify, the bank may transact business at night, and this arrangement, it is thought, will meet with favor among those who are employed during the day.

—The Lincoln County National Bank of Shoshone, Ida., has been authorized by the Comptroller of the Currency to begin business. The capital stock is $300,000, with Joseph Keefer, president, and Gilbert White, cashier.

—The First State Bank of Wendell, Idaho, has been incorporated. The capital stock is fixed at $10,000.

PACIFIC STATES.

—There are now four banks in Colfax, Wash., the last to open for business there being the bank of J. A. Perkins, the Colfax State Bank.

This institution has been reorganized, with an increased capital and a practically new corps of officers. The capital is now $60,000, all paid up, and the officers are J. A. Perkins, president; E. K. Hanna, vice-president; Edwin C. Baird, cashier.

J. A. Perkins was the first white man to locate in Colfax and was the second man to engage in the banking business in Whitman country, having opened the Bank of Colfax just after the fire which destroyed Colfax in 1882.

—W. L. Adams of Hoquiam, who is president of the Washington Bankers' Association, has been elected president of the Chehalis County Bankers' Association, which has just been organized at a meeting of the bankers of Chehalis County held in Hoquiam, Washington. The other officers are F. L. Carr, of Montesano, vice-president; R. E. Dawdy of Hoquiam, second vice-president; E. B. Day, secretary, and James Fuller, treasurer.

—Announcement is made by Edwin T. Coman, president of the Exchange National Bank of Spokane, Wash., of great changes in the Exchange bank building involving an expenditure of over a quarter of a million dollars.

The changes include an entire remodeling of the building, the addition of four stories, making it into a ten-story building, making the building a fireproof structure, and generally reconstructing it so that it will be one of the finest office buildings in the city.

One of the principal features of the new building will be the lowering of the first floor so that the bank entrance and the main floor of the bank are on the same level with the street.

This will not include lowering the other stories, but the first floor will comprise offices with ceilings twenty-one feet in the clear. The columns of the entire building will have to be reconstructed and reinforced in order to allow the addition of four stories.

The upper four stories of the building will be constructed first, and it is the plan to make these all fireproof and then to make the rest of the building fireproof in the work of remodeling the structure.

It is claimed that the work of lowering the first floor to the street level will alone cost about $40,000, while the entire work will cost from $250,000 to $300,000.

The interior of the building will be fitted in the finest possible manner. It will be finished in Pavanazza marble with Pavanazza wainscoting and bronze fixtures in Pavanazza.

—The application of T. J. Scroggin, Julius Roesch, N. K. West, A. T. Hill and C. T. Baem to organize the United States National Bank of La Grande, Or., with $100,000 capital has been approved by the Comptroller of the Currency.

—Another notable bank structure for the commercial center of San Francisco is about to be erected by the London-Paris National Bank at the northwest corner of Sansome and Sutter streets at an estimated cost of $250,000. A long-term lease for the ground has been signed, and the work of construction will soon be under way.

The bank contemplated for some time leasing the Market street corner of the new Palace Hotel, and negotiations had progressed favorably when it was decided that a building devoted exclusively to banking purposes would be more in keeping with the importance and standing of the institution. The projected lease was abandoned and negotiations for the Sansome street property begun. These negotiations have been brought to a successful termination, but the consideration has not been made public. It is understood, however, that the duration of the lease is for the longest term allowed under the statutes. The building to be erected will be another monument to the progress and enterprise of San Francisco's commercial leaders. It will be a handsome building of modern design and finished with the latest improvements in office construction. The entire building will be devoted to the business of the bank.

—A consolidation between the Merchants' National Bank and the United States National Bank, both of San Francisco, was effected at a meeting of the board of directors of the latter institution held recently. Negotiations between the directors of the two banks have been going on for several months, the parties concerned being unable to agree about the price to be paid.

By this consolidation the capital stock of the Merchants' National will be increased to $500,000. The commercial business of the United States National will be conducted at its present location in Fillmore street, which will eventually be occupied by the Scandinavian Savings Bank. The Scandinavian Savings Bank is affiliated with the Merchants' National Bank.

The present officers and directors of the Merchants' National Bank are:

Charles Nelson, president; Lewis I. Cowgill, vice-president; L. M. MacDonald, cashier; J. C. Eschen, W. H. Little, Albert Sutton, C. S. Wright and Henry Wilson.

—At the annual directors' meeting of the Bank of California, San Francisco, the following officers and directors were re-elected:

Homer S. King, president; Frank B. Anderson, vice-president; Charles R. Bishop, vice-president; Irving F. Moulton, cashier; S. H. Daniels, assistant cashier; William R. Pentz, assistant cashier; Arthur L. Black, assistant cashier; Allen M. Clay, secretary; James D. Ruggles, assistant secretary. Directors: James M. Allen, Frank B. Anderson, William Babcock, Charles R. Bishop, Antoine Borel, Warren D. Clark, George E. Goodman, Edward W. Hopkins, Homer S. King, John F. Merrill, Jacob Stern, Joseph S. Tobin.

—The plan to organize a state clearing-house association among the banks of California, originated during the convention of the California Bankers' Association in Pasadena last May. Since that time the committee has been at work in the drafting of a constitution and by-laws. Every bank in the state of California is eligible for membership.

The objects are to improve and strengthen the banking system of the state; to prevent improper conduct upon the part of any bank within the state; to provide a system of thorough and complete examination into the affairs of every banking corporation or individual banker belonging to the association by expert examiners, and generally to safeguard the common interests of the banks and the public.

After any bank has joined the association it must be able to withstand the most rigid examination. Should any of the member banks be found to be in an unsafe condition or conducting business in an unsafe manner the matter will at once be brought to the attention of the bank commissioners, if it is a state bank; or to the Comptroller of the Currency, if it be a national bank.

The state is to be divided into eleven districts with an expert examiner in each district. Each member bank will be examined at least once a year and as many more times as is found necessary by the examiner.

Following are the officers and members of the general committee of the association, which drafted the constitution and by-laws:

C. K. McIntosh, San Francisco, president; J. E. Fishburne, Los Angeles, vice-president; C. E. Woodside, Los Angeles, secretary; E. D. Roberts, San Bernardino; H. S. McKee, Long Beach; E. P. Foster, Ventura; J. J. Morey, Watsonville; W. W. Garthwaite, Oakland; O. J. Woodward, Fresno; Frank Denman, Petaluma; C. W. Bush, Woodland.

—The Citizens' State Bank is the first of the San Francisco banks that went into liquidation to pay a dividend to its depositors and creditors. A ten per cent. dividend was declared.

Checks have been mailed to every holder of an approved claim against the bank. The total amount to be paid is $9,000. The condition of the books of the bank has made it exceedingly difficult for the receiver to collect many of the loans, as they were made without security.

—The first step in the building of the Telegraph Avenue Savings Bank of Oakland, Cal., was taken October 28 when ground was broken on the site at Telegraph avenue and Forty-ninth street. Articles of incorporation for this bank were taken out several months ago. The new building is expected to be completed in January. It will be of concrete and will be equipped with all modern banking facilities.

The officers are: W. B. Thomas, president; Dr. C. A. Dukes, first vice-president; Joseph Bosso, second vice-president; Harold Everhart, secretary, and A. Van der Naillen, cashier.

FOREIGN ITEMS.

It is announced that the National Bank of Cuba and the Bank of Havana will be consolidated. The arrangement has been made between J. P. Morgan & Co. and the National City Bank, the latter con-

trolling the Bank of Havana. The capital will not be increased. The National Bank of Cuba will liquidate the Bank of Havana.

—The Bank of Commerce at Fernie, B. C., is erecting a handsome bank home of white brick and Calgary sandstone.

All of the furnishings are to be the very best designed for banking houses.

—The business of the Bank of New Brunswick agency at North Head, Grand Manan, has prospered to such an extent under the management of Wm. Baker that the bank has decided to establish a permanent abiding place on the island. With this object in view a lot of land to the east of the steamboat wharf has been purchased from the Redmond estate and a handsome two-story concrete building will be erected thereon.

—The Bank of Montreal statement for the year ended October 31, shows net profits of $1,957,658, compared with $1,980,138 the previous year. The sum of $1,000,000 was placed to credit of reserve fund, bringing it up to $12,000,000, while the paid-up capital of the bank is $14,000,000.

The general statement shows a big decrease in current loans and a large increase in deposits.

The deposits not bearing interest stood at $38,766,918, against $36,043,275 last year, and the deposits bearing interest gained to $105,192,365 against $90,094,882, a total gain in deposits of $17,821,126. Current loans were reduced from $105,107,113 to $96,762,020, a decrease of $10,345,093. Call loans in Great Britain and United States were $40,689,956, as against $23,341,220 last year, an increase of $17,348,736.

—Sir Edward Clouston was on November 12, re-elected president of the Canadian Bankers' Association, which was in session at Toronto. Committees were appointed to get amendments to the Dominion banking act and see the provincial legislatures to get laws for quicker apprehension and conviction of bank burglars.

The following officers were re-elected: Sir Edward Clouston, president of the Bank of Montreal, president; Duncan Coulson, general manager of the Bank of Toronto, first vice-president; George Burn, general manager of the Bank of Ottawa, second vice-president; H. Stikeman, general manager of the Bank of B. N. A., third vice-president; M. J. Prendergast, general manager of the Banque d'Hochelaga, fourth vice-president.

Sir Edward Clouston and Bryon E. Walker were appointed a committee to take up matters relating to the revision of the banking act in 1910.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Farmers National Bank, Canton, Pa.; by J. A. Innes, et al.

Rempel National Bank, Logan, Ohio; by L. R. Ayres, et al.

First National Bank, Cimarron, N. M.; by W. S. Kilpatrick, et al.

First National Bank, Joppa, Ill.; by J. W. Bowerman, et al.

Whitbeck National Bank, Chamberlain, S. Dak.; by A. G. Whitbeck, et al.

Commercial National Bank; Stateville, N. C.; by D. M. Ausley, et al.

First National Bank, Mercersburg, Pa.; by D. W. Faust, et al.

First National Bank, Butler, Ind.; by Walter Snider, et al.

National Bank of San Mateo; San Mateo, Calif.; by R. T. Devlin, et al.

United States National Bank, LaGrande, Oreg.; by T. J. Scroggin, et al.

First National Bank, Portsmouth, Va.; by J. L. Watson, et al.

Ontario National Bank, Ontario, Oreg.; by J. R. Blackaby, et al.

Northern National Bank, Duluth, Minn.; by J. L. Washburn, et al.

National Bank of Bloomfield, Bloomfield, Iowa; by Henry C. Taylor, et al.

Applications for Conversions to National Banks Approved.

Citizens State Bank, Stoughton, Wis.; into Citizens National Bank.

Farmers Bank, Monticello, Ga.; into Farmers National Bank.

Crown City Bank, Pasadena, Calif.; into Crown City National Bank.

Manufacturers and Merchants Bank, Gloversville, N. Y.; into City National Bank.

National Banks Organized.

9262—First National Bank, Gilbert, Minn.; capital, $25,000; Pres., W. J. Smith; Vice-pres., F. B. Meyers; Cashier, J. B. Thompson.

9263—Bonner County National Bank, Sandpoint, Idaho; capital, $50,000; Pres., A. Kuhn; Vice-Pres., H. C. Culver; Cashier, G. W. Ade.

9264—First National Bank, Bainbridge, Pa.; capital, $25,000; Pres., B. F. Hoffman; Vice-Pres's., C. S. Manning, I. S. Smith and W. T. Worth; Cashier, I. Oliver Fry.

9265—First National Bank, Pasco, Wash.; capital, $25,000; Pres., Robert Jahnke; Vice-Pres., James Waters; Cashier, L. Mathison. Conversion of the First Bank of Pasco.

9266—Farmers and Merchants National Bank, Boonville, Ind.; capital, $50,000; Pres., Samuel W. Hart; Vice-Pres., G. J. Roth; Cashier, W. J. Veeck. Conversion of the Farmers and Merchants Bank.

9267—First National Bank, Mountain Lake, Minn.; capital, $25,000; Pres., J. J. Rupp; Vice-Pres., J. C. Klassen; Cashier, C. C. Mertens.

9268—First National Bank, Bordentown, N. J.; capital, $75,000; Pres., F. J. Potter; Vice-Pres., W. McK. Morris; Cashier, J. R. Deacon.

9269—First National Bank, Lemmon, S. Dak.; capital, $25,000; Pres., J. W. Harris; Vice-Pres., Howard Akins; Cashier, J. J. Clark.

9270—Musselshell Valley National Bank, Harlowton, Mont.; capital, $50,000; Pres., P. I. Moule; Vice-Pres., A. C. Graves; Cashier, C. N. Friday.

9271—National Bank of Far Rockaway, Far Rockaway, N. Y.; capital, $50,000; Pres., H. G. Heyson; Vice-Pres., J. Lauchheimer; Cashier, J. L. Stanley.

9272—Lincoln County National Bank, Shoshone, Idaho; capital, $30,000; Pres., Jos. Keefer; Vice-Pres., G. B. Keefer; Cashier, G. J. White.

9273—Whitman County National Bank, Rosalia, Wash.; capital, $40,000; Pres., W. E. Dwyer; Vice-Pres., A. J. Stone; Cashier, F. J. Wilmer. Conversion of the Whitman County State Bank.

9274—First National Bank, Mendon, Ohio; capital, $25,000; Pres., A. H. Barber; Vice-Pres., E. G. Upton; Cashier, C. B. Lair.

9275—First National Bank, Spiro, Okla.; capital, $25,000; Pres., G. H. Dunklin; Vice-Pres., J. D. Dorough; Cashier, J. R. Redwine.

9276—Farmers National Bank, Union, N. Y.; capital, $25,000; Pres., E. M. Andrews; Vice-Pres., T. A. MacClary; Cashier, D. C. Warner.

9277—First National Bank, Wyanet, Ill.; capital, $25,000; Pres., W. Hamrick; Vice-Pres., L. L. Hall; Cashier, Carlyle N. Shilton.

9278—First National Bank, Holyoke, Colo.; capital, $50,000; Pres., John Heginbotham; Vice-Pres., W. E. Heginbotham; Cashier, G. B. Heginbotham.

9279—Farmers National Bank, Wilkinson, Ind.; capital, $25,000; Pres., S. C. Staley; Vice-Pres., G. W. Sowerwine; Cashier, J. F. Evans.

NEW STATE BANKS, BANKERS, ETC.

ARKANSAS.

McGehee—McGehee Valley Bank, successor to Valley Bank; capital, $19,000; Pres., H. Thane; Vice-Pres., A. McGehee; Cashier, M. A. McDermott.

Newport—Farmers Bank; capital, $50,000; Pres., J. F. Rutherford; Vice-Pres., J. R. Holden; Cashier, W. N. Dunaway.

CALIFORNIA.

Perris—Bank of Perris; capital, $12,000; Pres., S. V. Gates; Cashier, W. W. Stewart.

San Francisco—Swedish-American Bank; capital, $100,000.

GEORGIA.

Lumpkin—Bank of Lumpkin; capital, $25,000; Pres., J. D. Richardson; Vice-Pres., J. J. Thompson; Cashier, S. H. Hollis.

Rome—American Bank and Trust Co.; capital, $500,000; Pres., Geo. D. Pollock; Vice-Pres., T. J. Simpson.

IDAHO.

Richfield—First State Bank; capital, $15,000; Pres., Geo. W. Mickelwait; Vice-Pres., R. E. Mickelwait; Cashier, T. B. Brush.

Twin Falls—Twin Falls Bank and Trust Co.; capital, $100,000; Pres., W. S. McCormick; Vice-Pres., Fred Voigt; Cashier, C. J. Hahn. Successor to McCormick & Co.

ILLINOIS.

Crete—Illinois State Bank; capital, $25,000; Pres., Henry Schweer; Vice-Pres., Louis Ratje; Cashier, G. H. Kracke.

INDIANA.

Gary—First Trust and Savings Co.; capital, $25,000; Pres., T. T. Snell; Vice-Pres., W. A. Wirt; Cashier, E. C. Simpson.

Remington—State Bank; capital, $25,000; Pres., J. H. Gilbert; Vice-Pres., J. H. Biddle; Cashier, S. G. Hand. Successor to First National Bank.

IOWA.

Eldridge—German Savings Bank; capital, $10,000.

Hiteman—Hiteman Savings Bank; capital, $10,000; Pres., W. B. Bonnifield; Vice-Pres., S. A. Corey; Cashier, G. R. Ribbling.

KANSAS.

Quinter—Farmers State Bank; capital, $12,500; Pres., W. H. Wigginton; Vice-Pres., D. H. Ikenbeny; Cashier, E. L. Wickizer.

Salina—Traders State Bank; capital, $35,000; Pres., H. C. Smither; Vice-Pres., W. F. Grosser; Cashier, H. J. Stover.

KENTUCKY.

Creelsboro—Bank of Creelsboro; capital, $15,000; Pres., C. W. Stuart; Vice-Pres., J. D. Irvin, Jr.

Jackson—Breathitt County Bank; capital, $15,000; Pres., F. P. Crawford; Vice-Pres., C. J. Little; Cashier, I. T. Hindman.

LOUISIANA.

Breaux Bridge—Citizens Bank; capital, $15,000; Pres., D. J. Gragnon; Vice-Pres., J. A. Potier; Cashier, C. C. Rees.

MICHIGAN.

Baldwin—Lake County Bank (McPhail & Cole); Cashier, R. J. Smith.

Berrien Springs—Berrien Springs State Bank; capital, $20,000; Cashier, C. M. Niles.

Fountain—Bank of Fountain; responsibility, $1,000,000; Pres., A. E. Cartier; Secretary, C. G. Wing; Cashier, L. B. Foster.

Gwinn—Gwinn State Savings Bank; capital, $25,000; Pres., W. G. Mather; Vice-Pres., W. F. Hopkins; Cashier, H. H. McMillan.

MINNESOTA.

Fulda—Citizens State Bank; capital, $25,000; Pres., F. D. Lindquist; Vice-Pres., Emil King; Cashier, J. J. Schueller.

Glenville—First State Bank; capital, $10,000; Pres., W. H. Stone; Vice-Pres., V. B. Bender; Cashier, A. H. Bender. Successor to Glenville State Bank.

Ponsford—Ponsford State Bank; capital, $10,000; Pres., W. R. B. Smyth; Vice-Pres., M. E. Stephens; Cashier, J. W. Hunn.

Wayzata—Wayzata State Bank; capital, $10,000; Pres., R. C. Moore; Vice-Pres., L. M. Crafts; Cashier, F. H. Snure.

MISSOURI.

Excelsior Springs — Bank of Excelsior Springs; capital, $10,000; Cashier, R. S. Tucker.

Lincoln—Peoples Bank; capital, $25,000; Pres., G. W. Helvey; Vice-Pres., Fred Kreisel; Cashier, J. D. Freund.

MONTANA.

Fairview—First State Bank; capital, $10,000; Pres., H. C. Delaney; Vice-Pres., John P. Meadors; Cashier, L. P. Lanouette. Successor to Delaney Bros.

NEBRASKA.

Burwell—Farmers Bank; capital, $20,000; Pres., T. H. Dovan; Vice-Pres., John Call; Cashier, A. I. Cram.
Deshler—Farmers and Merchants Bank; capital, $25,000; Pres., F. W. Vieselmeyer; Vice-Pres., J. H. Struve; Sec., R. Koch.
Kimball—Citizens State Bank; capital, $10,000; Pres., F. M. Wooldridge; Cashier, M. L. Wooldridge.

NEW JERSEY.

Hammonton—Hammonton Trust Co.; capital, $100,000; Pres., A. J. Rider; Vice-Pres., J. R. Emhoff; Sec., H. M. Bottonsley.

NORTH CAROLINA.

Stokesdale—Stokesdale Commercial Bank; Pres., C. A. Bray; Vice-Pres., P. H. Simpson; Cashier, S. B. Denny.

NORTH DAKOTA.

Garrison—Atlas State Bank; capital, $10,000; Pres., M. A. Baldwin; Cashier, C. H. Barber.
Norma—First State Bank; capital, $10,000; Pres., C. J. Weiser; Vice-Pres., F. W. Friis; Cashier, D. Clark, Jr.
Omemee—Citizens Bank; capital, $10,000; Pres., Geo. Sunberg; Vice-Pres., J. T. Harty; Cashier, N. F. Mackestad.

NEW YORK.

Mayville—State Bank; capital, $25,000; Pres., F. W. Crandall; Vice-Pres., W. C. Price; Cashier, C. R. Cipperly.

OHIO.

Cleveland—Guaranty Loan and Trust Co.; capital, $25,000; Pres., H. W. Cole; Vice-pres.; W. N. Boerstler; Cashier, H. M. Cole.

OKLAHOMA.

Bartlesville—Bartlesville State Bank; capital, $25,000; Pres., E. G. Lewis; Vice-Pres., G. W. Lewis; Cashier, A. E. Lewis.
Bokchito—Bokchito State Bank; successor to Bokchito National Bank; capital, $15,000; Pres., S. T. Bentley; Vice-Pres., J. R. McKinney; Cashier, O. C. Thornton.
Coalgate—Citizens State Bank; capital, $25,000; Pres., John Gentilini; Vice-Pres., C. Y. Semple; Cashier, J. O. Phillips.
Hugo—First State Bank; capital, $15,000; Pres., J. W. Chester; Vice-Pres., C. Gamble; Cashier, E. L. Dewitt.
Isadore—Bank of Parton; successor to First Bank of Harrison; capital, $10,000; Pres., O. T. Haywood; Cashier, W. W. Hayward.
Mangum—First State Bank; capital, $15,000; Pres., C. F. Elerick; Vice-Pres., W. P. Ponder; Cashier, E. B. Sutton.
Tallequah—First State Bank; capital, $15,000; Pres., C. Ross; Cashier, W. C. Holt.
Tishomingo—Tishomingo State Bank; capital, $10,000; Pres., T. G. Benge; Vice-Pres., A. Gillett; Cashier, R. P. Smith.
Wagoner—First State Bank; capital, $25,000; Pres., H. E. Dodge; Vice-Pres., J. B. Ellington; Cashier, E. A. Jackson.
Watonga—Security State Bank; capital, $10,000; Pres., A. H. Keith; Vice-Pres., Jerome Harrington; Cashier, J. E. Haynes.

OREGON.

Troutdale—Bank of Troutdale; capital, $10,000; Pres., F. E. Harlow; Vice-Pres., L. A. Harlow; Cashier, F. E. Harlow.

SOUTH CAROLINA.

Columbia—Union Savings Bank; capital, $25,000; Pres., Jas. Norwood; Vice-Pres., J. H. M. Beaty; Cashier, E. W. Wilson.—Farmers Loan and Trust Co.; capital, $50,000; Pres., J. L. Mimnaugh; Vice-Pres., E. W. Robertson; Treas., T. B. Stackhouse.

Lundrum—Bank of Lundrum; capital, $15,-000; Pres., H. B. Carlisle; Vice-Pres., Joseph Lee; Cashier, P. N. Cunningham.

SOUTH DAKOTA.

Lamro—Farmers State Bank; capital, $5,000; Pres., F. F. Brinker; Vice-Pres., G. De Boer; Cashier, C. G. De Boer.
Badger—Badger State Bank; capital, $25,000; Pres., J. H. Quinn; Vice-Pres., C. A. Johnson; Cashier, C. P. Swift.
Chelsea — German-American State Bank; capital, $25,000; Pres., J. H. Holmes; Vice-Pres., F. M. Byrne; Cashier, W. M. Howe.
Interior—State Bank of Interior; capital, $25,000; Pres., L. Bullard; Vice-Pres., C. Bullard; Cashier, Marvin Bullard.

TENNESSEE.

Beech Grove—Bank of Beech Grove; capital, $5,000; Pres., Geo. Ashley, Sr.; Vice-Pres., George Thurman; Cashier, J. C. McCrocklin. Successor to Beech Grove Bank.

TEXAS.

Kountze—Hardin County Bank; Pres., G. W. Riddle; Vice-Pres., W. H. Wickline; Cashier, L. R. Fife.
Saratoga—Saratoga State Bank; capital, $10,000; Pres., R. S. Sterling; Vice-Pres., Chas. G. Hooks; Cashier, Hugh A. Lay. Successor to R. S. Sterling & Co.
Sugarland—Imperial State Bank; capital, $10,000; Pres., W. T. Eldridge; Vice-Pres., Chas. Boedeker; Cashier, E. O. Guenther.

WASHINGTON.

Colfax—Colfax State Bank; successor to J. A. Perkins; capital, $60,000; Pres., J. A. Perkins; Vice-Pres., E. K. Hanna; Cashier, E. C. Baird.
Mabton—Citizens State Bank; capital, $15,-000; Pres., C. R. Alexander; Cashier, J. D. Farmer.
Wilkeson—First Bank; capital, $15,000; Pres., I. B. Winsor; Vice-Pres., G. H. Tarbell; Cashier, T. J. Anderson.

WEST VIRGINIA.

Phillipi—Peoples Bank; capital, $40,000; Pres., M. D. Riley; Vice-Pres., R. Stalnaker; Cashier, J. W. Byers.

WISCONSIN.

Almene—Almene State Bank; capital, $10,-000; Pres., C. C. Coe; Vice-Pres., Chas. Kaemmer; Cashier, H. Peterson.
Gresham—State Bank; capital, $15,000; Pres., R. Kopelke; Vice-Pres., A. Kuckuk; Cashier, L. G. Laubenstein.

WYOMING.

Hudson—Bank of Hudson; capital, $5,000; Pres., D. F. Hudson; Cashier, E. C. Liggett.

CANADA.

ALBERTA.

Lethbridge—Molsons Bank; branch of Montreal; Manager, K. D. Johnson.

BRITISH COLUMBIA.

Kamloops—Imperial Bank of Canada; branch of Toronto; Manager, R. A. Bethune.
Prince Rupert—Union Bank of Canada; branch.

ONTARIO.

Embro—Farmers Bank of Canada; branch.
Lakeside—Farmers Bank of Canada; branch.

SASKATCHEWAN.

Moose Jaw—Bank of Hamilton; branch; Manager, S. S. Du Moulin.
Outlook—Union Bank of Canada; branch; Manager, W. R. Learmonth.—Canadian Bank of Commerce; branch; Manager, C. A. Mercey.
Theodore—Union Bank of Canada; branch.
Hanley—Hall Co.; capital, $125,000; Manager, J. L. Gessell.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Guin—Bank of Guin; title changed to Marion County Banking Co.; capital, $25,000.

ARKANSAS.

Berryville—Peoples Bank; J. W. Freeman, President, in place of A. S. Bobo; J. B. Dodson, Cashier, in place of C. W. Davis.
Yellville—Bank of Yellville; W. E. Layton, Cashier, in place of Flora Layton.

CALIFORNIA.

Chico—Bank of Chico; W. N. Copeland, President, in place of H. W. Heath.
Eureka—Bank of Eureka; W. A. Clark, Vice-President, in place of L. T. Kinsey.—Savings Bank of Humboldt County; W. S. Clark, Vice-President, in place of C. P. Soule, who becomes President in place of L. T. Kinsey.
Exeter—Bank of Exeter; J. F. Durgan, Vice-President, in place of C. W. Ostrander.
Napa—J. H. Goodman & Co.; E. Z. Hennessey, Vice-President.
Oakland—Oakland Bank of Savings; Samuel Breck, Assistant Cashier, in place of F. A. Allardt.
Redding—Bank of Northern California; N. B. Frisbie, President.
San Francisco—United States National Bank; E. H. Geary, Cashier, in place of R. B. Murdoch.
South San Francisco—Bank of South San Francisco; Jesse W. Lilienthal, President.
Tulare—First National Bank; H. M. Shreve,

Vice-President, in place of J. M. Anderson; W. E. Dunlap, Cashier, in place of H. M. Shreve; J. J. Mitchell, Assistant Cashier, in place of W. E. Dunlap.

Upland—First National Bank; Isaac C. Bexter, President, in place of H. E. Bartlett.

COLORADO.

Boulder—Mercantile Bank and Trust Co.; A. R. Couzens, Vice-President, in place of W. H. Nichols.

Canon City—First National Bank; no Cashier in place of C. S. Hudson; A. J. Turner, Assistant Cashier.

Colorado Springs—El Paso National Bank; H. R. Eldridge, Cashier, in place of C. L. Hemming, deceased.

CONNECTICUT.

Hartford—State Bank; Chas. A. Lillie, Assistant Cashier.

Bridgeport — Pequonnock National Bank; Peter W. Wren, President, in place of David Trubee, deceased.

New Britain—Savings Bank of New Britain; E. H. Davison, Vice-President, in place of L. A. Vibberts.

Waterbury—Waterbury National Bank; no Vice-President in place of A. M. Blakesley, deceased.

GEORGIA.

Clarksville—Habersham Bank; J. K. Burns, President, in place of E. P. West; J. W. House, Vice-President, in place of J. K. Burns.

Rome—Cherokee Bank; B. F. Hall, Cashier, in place of G. D. Pollock.

Waycross—First National Bank; J. E. Wadley, President, in place of A. M. Knight.

IDAHO.

Boise—Idaho Trust and Savings Bank; J. W. Robinson, Cashier, in place of L. D. Allred.

Sandpoint—Traders State Bank; reorganized as Citizens State Bank; capital, $50,000.

ILLINOIS.

Chicago—Chicago Savings Bank and Trust Co.; J. A. McCormick, Vice-President, in place of E. P. Bailey; Huston Jones, Cashier.

McLeansboro—Hamilton County Bank; no President in place of C. G. Cloud, deceased.

Naperville—Willard Scott & Co.; consolidated with First National Bank.

INDIANA.

Fort Branch—First National Bank; W. S. Hoffman, Vice-President, in place of C. B. Runcle.

Rockville—Parke State Bank; G. C. Miller, Cashier, in place of F. H. Stark.

IOWA.

Afton—Savings Bank of Afton; S. H. Blackwell, President, in place of C. A. Pierson.

Greene—Merchants National Bank; C. W. Soesbe, Vice-President, in place of Edwin Morrill; D. H. Ellis, Cashier, in place of C. W. Soesbe.

Grimes — Farmers Savings Bank; Peter Bohrofen, President, in place of A. M. Allen; A. M. Parmenter, Vice-President.

Lansing—State Bank; J. Boeckh, Cashier.

Laporte City—Union State Bank; no President in place of G. W. Hayzlett, deceased.

Minden—German American Savings Bank; James Hunter, President, in place of T. G. Turner; Tewes Rohlfs, Cashier, in place of James Hunter.

Treynor—Treynor Savings Bank; M. Flammant, President, in place of W. B. Oaks; F. W. Ouren, Vice-President.

KANSAS.

Harveyville—Harveyville State Bank; capital increased to $25,000.

Lancaster—State Bank; T. J. Bohannon, President, in place of W. W. Stepp; C. Crawford, Vice-President, in place of T. J. Bohannon.

Ottawa—First National Bank; F. J. Miller, President, in place of W. S. Fallis; Chas. N. Converse, Vice-President.—State Bank; capital increased to $40,000.

LOUISIANA.

Lake Charles—Calcasieu National Bank; Harold H. Rock, Assistant Cashier.

Saline—Bank of Saline; L. T. Frey, President, in place of J. G. Reidheimer.

MAINE.

Boothbay Harbor — First National Bank; Watson M. Simpson, Assistant Cashier, in place of C. V. Martin.

Guilford—Guilford Trust Co.; H. W. Davies, President, in place of M. R. Morgan.

MASSACHUSETTS.

Amesbury—Powow River National Bank; John Gibbons, Assistant Cashier.

Chicopee—Chicopee Savings Bank; C. A. Chapman, Treasurer, in place of R. L. Scott.

Edgartown—Edgartown National Bank; W. S. Beatty, Cashier, in place of H. L. Wimpenney, Second, deceased.

Holyoke—Park National Bank; S. A. Mahoney, President, in place of E. L. Munn.
Melrose—Melrose Savings Bank; Frank M. Hoyt, Treasurer, in place of E. S. Goss, deceased.
Quincy—National Mount Wollaston Bank; H. M. Faxon, President, in place of C. A. Howland.

MICHIGAN.

Ann Arbor—Farmers & Mechanics Bank; H. A. Williams, Cashier, in place of F. H. Belser; F. T. Stowe, Assistant Cashier.
Hadley—Bank of Hadley; Una L. Ivory, Cashier, in place of Rufus Ivory, deceased.
Harbor Springs — Emmet County State Bank; J. T. Clarke, Cashier, in place of R. F. Lemon.
Kalamazoo—Home Savings Bank; J. J. O'Meara, Cashier, in place of D. E. Rickman.
Yale—Yale State Bank; capital increased to $30,000.

MINNESOTA.

Belle Plaine—First National Bank; F. H. Wellcome, President, in place of J. G. Lund; Ernst Vinkemeier, Vice-President, in place of F. J. von Bohland; J. B. Sullivan, Cashier, in place of H. B. Kamp; A. F. Meyer, Assistant Cashier.
Frost—State Bank; E. H. Weber, Cashier, in place of J. E. Rorman.
Kensington—Bank of Kensington; R. J. Rasmusson, Cashier, in place of A. Anderson.
Sauk Center—Merchants National Bank; A. F. Strebel, Cashier, in place of A. W. Austin; B. F. DuBois, Assistant Cashier, in place of A. F. Strebel.
Winnebago—Fairbault County State Bank; consolidated with First National Bank.

MISSISSIPPI.

DeKalb—Bank of DeKalb; C. H. King, Cashier.
Poplarville—National Bank of Poplarville; J. J. Scarborough, Jr., Cashier, in place of M. N. McCoy.

MISSOURI.

Pleasant Hope—Pleasant Hope Bank; J. O. Parrish, Vice-President, in place of T. L. Burns; W. A. Goodnight, Cashier.
St. Louis—St. Louis Union Trust Co.; John D. Filley, President, in place of T. H. West.

NEBRASKA.

Monroe—Bank of Monroe; capital increased to $15,000.
Pawnee City—National Bank of Pawnee City; H. H. Bull, Cashier, in place of Vernon Bascom.
University Place—First National Bank; no Cashier in place of M. E. Burke.

NEVADA.

Tonopah—Tonopah Banking Co.; Geo. Wingfield, Vice-President, in place of J. S. Cook.

NEW JERSEY.

Wildwood—Marine National Bank; H. R. Buck, Assistant Cashier.

NEW YORK.

Fishkill Landing — First National Bank; Thomas Aldridge, Cashier, in place of M. E. Curtis.
New York—Nassau Bank; Edward Earl, President, in place of W. H. Rogers, deceased.—European American Bank; capital increased to $200,000.—Union Trust Co.; Edward King, President, deceased.
Niagara Falls—Power City Bank; Peter P. Pfohl, President, in place of Arthur Schoellkopf; Cashier, Fred J. Coe.

NORTH CAROLINA.

Durham—Home Savings Bank; T. B. Pierce, Jr., Cashier, in place of W. W. Whited; J. R. Weatherspoon, Assistant Cashier.

NORTH DAKOTA.

Chaffee—Chaffee State Bank; consolidated with Farmers Security Bank under latter title; capital, $20,000.
Emarado—Farmers Bank; E. Franklyn, Cashier, in place of John Hempstead.

OHIO.

Stockport—First National Bank; T. D. Clancy, President, in place of J. D. Lane; T. J. Lyne, Vice-President, in place of T. D. Clancy.

OKLAHOMA.

Albion—Bank of Albion; S. L. Chowming, Vice-President; H. H. Dodel, Cashier.
Centralia—First National Bank; R. F. Allen, Assistant Cashier, in place of K. J. Montgomery.
Grove—Citizens Bank; B. F. Dyer, Vice-President, in place of A. B. Hampton; G. T. Hampton, Cashier; W. H. Doherty, Assistant Cashier.
Lenapah—Lenapah State Bank; Geo. A. Elrod, President, in place of C. M. Woodward.
Mounds—Bank of Mounds; W. L. Norton, President, in place of C. A. Houston; E. F. Blaise, Vice-President, in place of E. C. Houston; C. H. Brown, Cashier.
Muskogee—Oklahoma State Bank; M. G. Young, Assistant Cashier.
Norman—City National Bank; reorganized as First State Bank.

Tahlequah—First National Bank; D. O. Scott, Cashier, in place of L. C. Ross; J. Robt. Wyly, Assistant Cashier, in place of J. Morse.
Tonkawa—Bank of Commerce; F. H. Haselwood, Vice-President, in place of H. W. Beltz.
Wetumka—American National Bank; E. D. Hall, President, in place of Robert Reed; J. H. Romig, Vice-President, in place of E. D. Hall; Neil M. Sharp, Assistant Cashier.

PENNSYLVANIA.

Mount Joy—First National Bank; R. O. Fellenbaum, Assistant Cashier.

SOUTH CAROLINA.

Bishopville—Peoples Bank; D. J. Winn, Jr., Cashier, in place of J. C. Rogers.

SOUTH DAKOTA.

Canastota—Farmers State Bank; W. J. Armstrong, Cashier, in place of F. A. Dudley; M. G. Leesch, Assistant Cashier, in place of Ben Peters.
Chamberlain—Chamberlain State Bank; W. R. Tupper, President, in place of A. Shadbolt; P. B. Derks, Vice-President, in place of E. Shadbolt; E. M. Sedgwick, Cashier; O. P. Williams, Assistant Cashier.
Draper—Draper State Bank; S. P. Leierson, President, in place of W. T. McConnell; B. T. Blocklinger, Vice-President, in place of O. J. Marshall; P. N. Korsgaard, Assistant Cashier.
Lead—Miners & Merchants Savings Bank; G. W. Marquardt, President, in place of H. E. Fletcher; Wm. Bertolero, Vice-President, in place of G. F. Porter.
Trent—Trent State Bank; Asa Loucks, Cashier, in place of L. A. Ball.

TENNESSEE.

Athens—First National Bank; J. G. Fisher, President, in place of J. D. Williams, deceased; Edgar Childress, Cashier, in place of J. G. Fisher.
Shelbyville—Farmers Bank; P. C. Steele, Vice-President.

TEXAS.

Bronte—First National Bank; C. B. Hines, Cashier, in place of P. H. Van Winkle; A. P. Stone, Assistant Cashier, in place of T. R. Butler; no Assistant Cashier in place of J. W. Thurman.
Dallas—Commonwealth National Bank; C. J. Sorrells, Acting President, in place of E. M. Turner.
Edna—Allen National Bank; A. E. Westhoff, President, in place of J. W. Allen; W. W. McCrory, Vice-President, in place of A. E. Westhoff.
Houston—Central Bank & Trust Co.; E. R. Johnson, Vice-President; N. A. Sayre, Cashier, in place of E. R. Johnson.
Nixon—Nixon State Bank; C. S. Penfield, President; F. P. Penfield, Cashier, in place of C. S. Penfield.
Odessa—Citizens National Bank; W. N. Waddell, Vice-President.
Taylor—City National Bank; J. J. Thames, Vice-President, in place of H. T. Kimbro.

VERMONT.

Bellows Falls—National Bank of Bellows Falls; no President in place of James H. Williams, deceased; J. H. Williams, Cashier, formerly J. H. Williams, Jr.

VIRGINIA.

Buchanan—Bank of Buchanan; J. C. Dill, Cashier, in place of J. Z. Schultz.

WASHINGTON.

Everett—First National Bank; L. L. Crosby, Cashier, in place of J. A. Swalwell; E. L. Bailey, Assistant Cashier, in place of L. L. Crosby.
Mt. Vernon—Mt. Vernon State Bank; capital increased to $40,000.
Seattle—National Bank of Commerce; Jos. Saalwell, Cashier, in place of Ralph S. Stacy, who continues as Second Vice-President.

WISCONSIN.

Lacrosse—State Bank; no Vice-President in place of A. Platz, deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

Bradford—Bradford State Bank; reported closed.

COLORADO.

Denver—National Bank of Commerce; in voluntary liquidation November 14.

CONNECTICUT.

Middletown—Columbia Trust Co.; closed October 26.

KANSAS.

Arkansas City—Citizens & Farmers State Bank; reported closed.
Fort Scott—First National Bank; in charge of receiver November 20.

KENTUCKY.

Monticello—Citizens National Bank; in charge of receiver November 18.

MASSACHUSETTS.

Medford—Medford National Bank; in voluntary liquidation October 31.

MICHIGAN.

Sherwood—Farmers & Merchants Bank; closed.

OHIO.

Cleveland—Depositors Savings & Trust Co.; closed; assets absorbed by other Cleveland banks.

OKLAHOMA.

Ada—Citizens National Bank; in voluntary liquidation October 10.
Cordell—City National Bank; in voluntary liquidation November 10.
Weleetka—Weleetka National Bank; in voluntary liquidation October 1.
Wagoner—Wagoner National Bank; in voluntary liquidation October 15.

PENNSYLVANIA.

New Kensington—First National Bank; in charge of receiver November 9.
Eldred—Eldred Bank; reported closed.

RHODE ISLAND.

Providence—Central Trust Co.; in hands of receiver.

CUBA.

Havana—Bank of Havana; in voluntary liquidation; assets taken over by National Bank of Cuba.